

STATE LIBRARY OF PENNSYLVANIA



3 0144 00381311 0

Y 3. W 19/3: 1/918-39

PENNSYLVANIA STATE LIBRARY
General Library Bureau
Government Publications



Digitized by the Internet Archive
in 2014



43
1503
Rec. note
Y3. W 19/3: 1/
718-39

LIQUIDATION OF THE WAR FINANCE CORPORATION

LETTER

FROM THE

ACTING SECRETARY OF THE TREASURY

TRANSMITTING

THE FINAL REPORT OF THE SECRETARY OF
THE TREASURY WITH REGARD TO
THE LIQUIDATION OF THE WAR
FINANCE CORPORATION



JANUARY 21, 1943.—Referred to the Committee on
Banking and Currency and ordered to be printed

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1943

3. W 19/3: 1/
918-1450

LETTER OF TRANSMITTAL

TREASURY DEPARTMENT,
Washington, October 26, 1942.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: Reorganization Plan No. II prepared by the President of the United States and transmitted to the Congress on May 9, 1939, and section 2, subparagraph (c) thereof, which became effective July 1, 1939, by Public Resolution No. 20, approved June 7, 1939, provides as follows:

All of the functions, property, and obligations of the War Finance Corporation not heretofore transferred by statute to the Secretary of the Treasury are hereby transferred to the Department of the Treasury. The War Finance Corporation is hereby abolished and the Secretary of the Treasury shall complete the winding up of its affairs and shall dispose of its assets in accordance with the Act of March 1, 1929 (45 Stat. 1442), not later than December 31, 1939.

The liquidation of all assets and the winding up of the affairs of the War Finance Corporation have been completed as above provided.

The act of March 1, 1929, provides in part, that—

the Secretary of the Treasury * * * shall retire any capital stock then outstanding, pay into the Treasury as miscellaneous receipts the unused balance of the moneys belonging to the corporation, and make the final report of the corporation to the Congress. Thereupon the corporation shall be deemed to be dissolved.

Accordingly, there is submitted herewith the final report of the affairs of the War Finance Corporation covering the period of its existence, April 5, 1918, through June 30, 1939.

The material in the attached report was compiled from a review and examination of the files and records of the Corporation and includes, in a large part, a summarization of the information contained in the annual reports submitted to the Congress during the active life of the Corporation.

Very truly yours,

D. W. BELL,
Acting Secretary of the Treasury.

CONTENTS

GENERAL

	Page
Authority for creation and general purposes.....	1
Corporate existence.....	1
Capital stock.....	1
Management.....	2
Organizations.....	2
Borrowing powers.....	3
Reporting requirements.....	3

TRANSACTIONS UNDER THE WAR POWERS OF THE CORPORATION

Advances, section 7, act of April 5, 1918:	
To banks, bankers and trust companies, in aid to:	
Canneries.....	4
Crop moving.....	4
Cattle raisers.....	4
Industrial companies.....	4
Public utilities.....	4
Advances, section 8, act of April 5, 1918: To savings banks and building and loan associations.....	5
Advances, section 9, act of April 5, 1918:	
To canneries (on warehouse receipts).....	5
To wheat growers (through Food Administration Grain Corporation).....	5
To railroads.....	6
To public utilities.....	7
To industrial corporations.....	9
To cattle raisers.....	9
Advances, section 21, act of March 3, 1919: In aid of exports.....	10
Transactions in Liberty Loan bonds and Victory Loan notes.....	12

TRANSACTIONS AFTER RENEWAL OF ACTIVITIES ON JANUARY 4, 1921

Renewal of corporate activities to finance exports:	
Quotations, Senate Joint Resolution 212, January 4, 1921 (41 Stat. 1084).....	13
Cotton.....	13
Agricultural and other products.....	14
Insufficiency of export financing.....	14
Agricultural Credits Act, August 24, 1921.....	15
Administration of Agricultural Credits Act:	
Establishment of agricultural loan agencies.....	16
Formation of livestock loan companies.....	17
Export advances.....	17
Agricultural and livestock advances.....	18
Expense advances.....	19

CONCLUSIONS

Earnings.....	19
Payment of funds into Treasury.....	20
Retirement of capital stock.....	20
Corporation in liquidation:	
Under board of directors.....	20
Under the Secretary of the Treasury.....	21
Abolishment of Corporation.....	22
Audits.....	23
Disposition of records.....	23

EXHIBITS AND TABLES

	Page
Exhibit A: Total advances (life of Corporation).....	25
Exhibit B: Advances for export, agricultural, and livestock purposes after resumption of corporate activities on January 4, 1921:	
Table I—Summary.....	26
Table II—By commodities or purposes.....	26
Exhibit C: Advances for agricultural and livestock purposes after resump- tion of corporate activities on January 4, 1921:	
Table I—Summary.....	27
Table II—By commodities or purposes.....	28
Table III—To banks and financial institutions by months and years....	28
Table IV—To livestock loan companies by months and years.....	30
Table V—To cooperative marketing associations by months and years....	33
Table VI—To all classes of borrowers by months and years.....	34
Table VII—To banks and financial institutions by States.....	37
Table VIII—To livestock loan companies by States.....	37
Table IX—To cooperative marketing associations by States.....	38
Table X—To all classes of borrowers by States.....	38
Table XI—Expense advances by States.....	39
Exhibit D: Advances to assist in financing exports after resumption of cor- porate activities on January 4, 1921:	
Table I—Summary.....	40
Table II—By commodities.....	40
Exhibit E: Statement of net earnings.....	41
Exhibit F: Board of directors, period of service.....	42
Exhibit G: Liquidating committee, period of service.....	44
Exhibit H: Order of the Secretary of the Treasury, April 5, 1929.....	44

APPENDIX

War Finance Corporation laws and amendments.....	45
--	----

FINAL REPORT COVERING OPERATIONS OF WAR FINANCE CORPORATION FOR PERIOD FROM APRIL 5, 1918, TO JUNE 30, 1939

AUTHORITY FOR CREATION AND GENERAL PURPOSES

The War Finance Corporation was created by the act of April 5, 1918 (40 Stat. 506),¹ as an agency of the United States Government for the purposes of directing and rendering financial support to industries whose operations were "necessary or contributory to the prosecution of the war."

The act provided that the Corporation was to be managed by a board of directors consisting of the Secretary of the Treasury as chairman of the board and four other persons to be appointed as directors by the President of the United States. The Corporation was vested with powers usually incidental to corporate existence and the board of directors given customary powers of appointing employees, prescribing bylaws, etc.

CORPORATE EXISTENCE

The original act provided that the Corporation was to have a corporate existence for a period of 10 years, but this period was extended to 11 years by an act approved April 4, 1928 (45 Stat. 404). However, further provisions prevented the Corporation from exercising any of the powers conferred by the act after December 31, 1924, except such as were incidental to the liquidation of its assets and the winding up of its affairs.

CAPITAL STOCK

The authorized capital stock of the Corporation was \$500,000,000, all of which was subscribed by the Secretary of the Treasury in behalf of the United States. The subscription was subject to call upon the vote of three-fifths of the board of directors of the Corporation, with the approval of the Secretary of the Treasury, at such time or times as was deemed advisable. Receipts for payments were issued by the Corporation to the Secretary of the Treasury as evidence of stock ownership. The board of directors of the Corporation called upon the Secretary of the Treasury for stock subscription advances of \$140,000,000 during the period from May 20, 1918, to November 30, 1918; and the balance of \$360,000,000 was called by the directors and advanced by the Secretary of the Treasury during the year ended November 30, 1919.

MANAGEMENT OF THE CORPORATION

The management of the Corporation was vested in a board of directors consisting of the Secretary of the Treasury as chairman of the board, and four other persons appointed by the President of

¹ For reference to this act and all other acts referred to hereinafter, see appendix portion of this report.

the United States, by and with the advice and consent of the Senate. Of the four persons appointed by the President, two were to serve for a term of 2 years and two for a term of 4 years. After the expiration of the term of office of the directors appointed for 2 years, each director appointed thereafter was to serve a 4-year term. The salary of each director was \$12,000 per annum; with the proviso that any director receiving from the United States any salary or compensation for services should not receive as salary from the Corporation any amount, which together with any salary or compensation received from the United States would exceed \$12,000. The directors of the Corporation were subject to removal by the President of the United States at any time. Three members of the board constituted a quorum for the transaction of business.

The board of directors, through the powers vested in the Corporation, was authorized to use a corporate seal; make contracts, to purchase, lease, or hold or dispose of such real estate necessary for the prosecution of its business; to sue and be sued; to appoint and fix the compensation of such officers, employees, attorneys, and agents necessary for transaction of the business of the Corporation and to define their duties; to prescribe, amend, and repeal the bylaws regulating the manner of conducting the business of the Corporation and exercising the privileges granted to it by law. The principal office of the Corporation was prescribed by law to be located in the District of Columbia, but the board of directors was empowered to establish agencies and branch offices in any city or cities of the United States.

ORGANIZATION

The original directors of the War Finance Corporation appointed by the President of the United States and confirmed by the Senate took the oath of office on May 17, 1918, the board being constituted as follows: W. G. McAdoo, Secretary of the Treasury, Chairman; W. P. G. Harding, of Alabama, appointed for 2 years; Clifford M. Leonard, of Illinois, appointed for 2 years; Eugene Meyer, Jr., of New York, appointed for 4 years; Angus W. McLean, of North Carolina, appointed for 4 years.

Organization of the Corporation was effected by the election of W. P. G. Harding as managing director, and Sherman Allen, of Vermont, as treasurer; Mr. Allen was designated as secretary pro tempore, and on September 9, 1918, was elected secretary-treasurer. Mr. S. W. Fordyce, Jr., of St. Louis, and Mr. George S. Franklin, of New York, were on May 23, 1918, elected joint counsel for the board. On October 1, 1918, the board of directors elected Mr. R. R. Burklin, of Washington, D. C., assistant secretary-treasurer.

Numerous changes in the organization with respect to directors were effected during the Corporation's existence (see exhibit F).

BORROWING POWERS OF THE CORPORATION

The paid-in capital could be supplemented by the issuance of bonds. The maturity of any bonds issued was to be not less than 1 year, nor more than 5 years, from the respective dates of issue, redeemable before maturity at the option of the Corporation as determined by the board of directors. The interest rate was to be determined by the

board of directors subject to approval by the Secretary of the Treasury. The bonds issued constituted a first and paramount charge against the assets of the Corporation, and the Corporation was prevented from pledging or mortgaging any of its assets. The bonds could be issued at par in payment of advances authorized by the act or sold to the public at such price or prices as determined by the board of directors with the approval of the Secretary of the Treasury. The United States assumed no liability for the payment of any bond or other obligation incurred by the Corporation.

In March 1919, the directors, facing the large requirements of the railroads under Government administration, decided to issue \$200,000,000 1-year 5-percent gold bonds. The bonds were issued in \$1,000 denominations dated April 1, 1919, and due April 1, 1920, with interest coupons payable on October 1, 1919, and April 1, 1920. The Corporation retired at maturity and as subsequently presented for payment \$199,990,000 face value of the bonds issued. When the Corporation was finally liquidated on June 30, 1939, the sum of \$10,575 was deposited with the Treasurer of the United States, to be held in the Treasury for the purpose of redeeming upon presentation, outstanding bonds with a face value of \$10,000 and interest coupons amounting to \$575.

REPORTING REQUIREMENTS

The act of April 5, 1918 (40 Stat. 506), while not prescribing the methods of accounting to be used by the Corporation, did provide for certain information to be submitted to the Congress. The Corporation was required to file quarterly reports with the Secretary of the Senate and with the Clerk of the House of Representatives, which were to show the total amount of paid-in capital; the amount of Corporation bonds issued and outstanding; the total amount of advances made; the amount and classes of securities taken under each section of the act; and the total amount of advances outstanding. The quarterly reports were discontinued under authority of the act approved May 29, 1928 (45 Stat. 986). The Corporation was also required to make an annual report to Congress on the first day of each regular session, including a detailed statement of revenues and expenditures.

ADVANCES

(Through banks as intermediaries)

Under section 7 of the act of April 5, 1918

Advances to banks, bankers, and trust companies.

It was provided by the act of April 5, 1918, that assistance by the War Finance Corporation to the various eligible enterprises would be effected through banks as intermediaries. The banks did not avail themselves to any great extent of the resources provided by the Corporation. This was due in part to the ability of the Federal Reserve System to meet the increased demands upon the banking system resulting from war activities. The mere existence of the power of the Corporation to provide additional resources in case of need had a steady and highly beneficial effect upon the financial condition of the country. After the Corporation was organized and commenced business late in May 1918, there was a large number of

applications for loans pressing for action, most of which were from corporations operating public utilities.

During the summer of 1918 it became evident that other industries besides public utilities and war industries were in need of financial assistance from the Corporation.

The need for financing the conservation and movement of crops and the preservation of fruits and vegetables used in the canning industry, and the necessity for relief of the cattle-raising industry, became increasingly apparent. In each case it was found that announcement by the Corporation of its intention to afford relief by advancing funds to banks to enable them to make loans aided in the restoration of confidence, so that the amount of money actually advanced by the Corporation was far less than originally estimated.

Aid to canning industry.—The Government had called upon the canners for their maximum output, a large crop of vegetables and fruit had been raised, and the obligations of the canning companies to the farmers were considerable. Payments could not be made by the Government in advance of deliveries, and as the canning companies were located mainly in small towns the facilities of the larger banks were not available to them. The Corporation advanced \$2,000,000 directly to banks upon the security of warehouse receipts for the canned goods.

Aid to crop moving—Agriculture.—The Corporation was authorized by an act approved November 21, 1918 (40 Stat. 1045), "to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products," and announced that it was prepared to make advances to banks for crop moving and other agricultural purposes. The banks generally were able to procure necessary rediscounts from correspondent banks or from the Federal Reserve banks with the result that applications for advances to facilitate these classes of loans were comparatively few. Advances for crop moving amounted to \$113,500, and advances for the general purposes of stimulating agriculture amounted to \$67,000.

Aid to cattle raisers.—In addition, the Corporation, under the discretionary power granted the directors to make advances to banks against agricultural loans or loans based on livestock to the extent of 100 percent of the amount of such loans held by the borrowing banks without requiring any security other than that pledged with the banks by the original borrowers, advanced the sum of \$404,660.12 to banks upon the security of obligations of borrowers engaged in the cattle-raising industry.

Aid to industrial companies.—An advance of \$7,275 was made under paragraph 2 of section 7 of the act to a bank which had purchased notes of an industrial company.

Aid to public utilities.—While the banks as a rule, assumed a liberal attitude toward public utilities and renewed in whole or part the utilities' obligations held by them, the banks generally did not actively participate as intermediaries between the utility companies and the War Finance Corporation, as contemplated by the provisions of the act of April 5, 1918. Banks usually preferred commercial paper of short maturity. As a result of this situation, loans by the Corporation in aid of public utilities amounted to only \$2,125,942.49.

Total advances under section 7.—The total loans made to banks, bankers, and trust companies under section 7 of the act amounted to \$4,718,377.61, as follows:

Advances to banks, bankers, and trust companies

Industry	Advances	Repayments
To aid canning industry.....	\$2,000,000.00	\$2,000,000.00
To aid crop moving.....	113,500.00	113,500.00
To aid agriculture.....	67,000.00	67,000.00
To aid cattle raisers.....	404,660.12	404,660.12
To aid industrial companies.....	7,275.00	7,275.00
To aid public utilities.....	2,125,942.49	2,125,942.49
Total (exhibit A).....	4,718,377.61	4,718,377.61

ADVANCES

(To savings banks and building and loan associations)

Under section 8 of the act of April 5, 1918

It appears that when the legislation which resulted in the organization of the Corporation was pending in Congress, there was some apprehension that there might be some demands by depositors for withdrawals from the savings banks which could not be met except by the sale on an unfavorable market of high-grade railroad and industrial bonds and other securities owned by these institutions. In this event it was claimed that not only would the savings banks themselves have sustained heavy losses in liquidating their securities, but the general effect upon the value of high-grade investment securities would have been serious, with the result that the financial operations of the Treasury might have been greatly hampered.

The necessity for relief, which many savings banks anticipated would result from such conditions, did not materialize. Consequently, loans advanced to savings banks and building and loan associations amounted to only \$550,000 (see exhibit A), all of which were repaid. This was due, probably, to a large extent to the confidence created by the assurance that relief was available in case of need.

ADVANCES

(Direct to industries and others)

Under section 9 of the act of April 5, 1918

Advances on warehouse receipts.

Since the Government was prohibited from making payments upon commodities in advance of deliveries, a cooperative system of warehousing was devised and the Corporation agreed to make advances upon the security of warehouse receipts to aid the industries interested in the production of foods. The Corporation advanced \$211,500 directly to the canning industry. The readiness of the Corporation to assist in this program had a favorable effect and the canning concerns were able in most cases to secure the necessary financial assistance directly from the banks, so that the amount advanced by the Corporation was moderate and very much less than the canning industry had originally estimated to be necessary.

To aid the wheat producers through the Food Administration Grain Corporation (a corporation charged by the President of the United States by an Executive order dated June 21, 1918, to make effective and maintain the price of wheat to the grower at not less

than the guaranteed basis provided in the President's proclamation of February 21, 1918), the War Finance Corporation advanced the sum of \$25,000,000 upon the security of warehouse receipts. The loans were secured by negotiable instruments conveying or securing title to wheat stored within the United States. The value of the security was determined on the basis of the Chicago wheat prices as fixed from time to time by proclamation or Executive order of the President, and to be equivalent to at least 125 percent of the amounts of outstanding loans.

The loans of \$25,211,500, referred to above, and secured by warehouse receipts were repaid in full.

Advances to railroads.

When the railroads of the United States were taken over by the Federal Government, a revolving fund of \$500,000,000 was created to be used by the United States Railroad Administration in making up such deficits in the rental or standard return as could not be covered by earnings of operation, and for the further purpose of financing additions and betterments in cases where this could not be done by the corporate organizations of the roads through the usual channels. Increases in cost of labor and supplies, and the large amount of betterment work undertaken to put the railroads in condition to carry the heavy traffic resulting from the movement of troops and war materials, by the end of 1918 had encroached upon the earnings and liquid assets of the railroads to such an extent that the revolving fund proved inadequate.

On September 6, 1918, the directors of the Corporation set forth by resolution that it would be their policy, if called upon, to make advances to railroads in the possession and control of the President, upon recommendation of the United States Railroad Administration, in accordance with the terms of the War Finance Corporation Act. On December 12, 1918, the railroad situation was brought to the attention of the board, and on December 17 the following resolution was adopted:

Resolved, That the War Finance Corporation inform the Director General of Railroads that it is ready to make advances up to \$100,000,000 to railroads on their direct application, these applications to be considered in the order in which they are made, each on its own merit.

Acting in accordance with the above resolution, the War Finance Corporation advanced \$74,175,890 on secured notes of the borrowing companies during the year ended November 30, 1919, to railroads for the purpose of repaying amounts due to the United States Railroad Administration, for additions and betterments, and for assistance in meeting maturities. The credit of the borrowing companies was materially improved by the acceptance of their obligations as security for advances from the War Finance Corporation, and further amounts required by the carriers were obtained through banking channels or from the investing public.

In some cases the War Finance Corporation entered into commitments to accept, within agreed limits, certain proportions of note issues provided the balance was placed elsewhere. Through and with the direct cooperation of the War Finance Corporation five railroad companies placed note issues in the aggregate principal amount of \$43,000,000 of which amount \$15,523,800 were taken by the War

Finance Corporation. The directors were called upon frequently to act in an advisory capacity by officials of the railroad companies and by bankers in connection with refunding maturing obligations.

Early in the spring of 1919 it became apparent that the decreased volume of traffic, increased costs of operation, and the necessity of financing large items of additions and betterments and equipment for the railroads, would require further appropriations by Congress. For this purpose the Congress was asked by the United States Railroad Administration to appropriate \$750,000,000 but the measure failed of passage in the closing days of the Sixty-fifth Congress.

The War Finance Corporation was able to be of great assistance in the situation which arose when Congress failed to appropriate moneys to enable the Director General of Railroads to finance the operations of railroads under Federal control. The directors of the Corporation took the position that the Corporation could make advances to the Director General of Railroads because such aid came well within the powers of the Corporation, in view of the fact that the maintenance of our transportation system for the purpose of continuing a steady flow of supplies to the American troops in Europe, and for the purpose of facilitating demobilization, constituted an essential part of the operations "necessary or contributory" to the war. The board, therefore, advanced immediately to the Director General of Railroads \$50,000,000, taking as collateral certain obligations of various railroads which had been pledged as security for advances previously made by the Director General of Railroads.

During the spring of 1919 railroad revenues were particularly unfavorable because of conditions then prevailing. The Director General of Railroads therefore was faced with the problem of obtaining sufficient funds for the payments due monthly to certain carriers in the way of rentals, and which amounts were required to meet interest and other accruing charges of the carriers to which they were due. Through the cooperation of the War Finance Corporation, there was developed the plan of paying, in lieu of cash, interest-bearing certificates of indebtedness issued by the Director General of Railroads. These certificates were then pledged by the railroads, either with banks or the War Finance Corporation, and cash for interest and other requirements thus obtained. The War Finance Corporation loaned \$65,094,830 to railroads, taking such certificates as collateral.

The following summary shows the amounts advanced for financing railroads:

Advances for financing railroads

To whom available	Advances	Repayments	Security for advances
Railroads.....	\$74,175,890	\$74,175,890	Secured notes of railroads.
Do.....	15,523,800	15,523,800	Note issues.
Do.....	65,094,830	65,094,830	Certificates of indebtedness of Director General of Railroads.
Director General of Railroads.....	50,000,000	50,000,000	Obligations of railroads.
Total.....	204,794,520	204,794,520	

Advances to public utilities.

As previously stated, when the Corporation was organized and commenced business, there was a large number of applications pressing for action. In the interim between the approval of the act and the

date the Corporation began business, 86 applications had been received, of which 37 were from public-utility companies for amounts totaling \$185,000,000, including approximately \$136,000,000 for refunding, etc., and \$49,000,000 for improvements, extensions, and new constructions. Forty-nine of the pending applications, aggregating in round figures \$8,500,000, were for miscellaneous activities. However, only 3 of the applications were from savings banks and loan associations.

The impression seemed to prevail in the minds of some that the act was designed partly to finance the maturing obligations of certain corporations. The number of applications from public-utility companies for direct advances under the "exceptional cases" clause, received shortly after the Corporation was organized, was so large that the Corporation found it necessary to issue a statement of its position as to this class of applicants. This statement called attention to the fact that the resources of the Corporation could not be loaned directly to essential industries unless in exceptional cases where relief could not be had through the usual banking channels, and in every instance the directors were charged with the duty of requiring adequate security. The Corporation was not created for the purpose of taking over the business of investment houses or for competing with the banks, but its primary object was to enable these institutions to continue to furnish essential credit to war industries and enterprises necessary or contributory to the prosecution of war.

The operations of the Corporation did not conflict with those of the Federal Reserve banks, which institutions were permitted to rediscount for the member banks commercial paper of short maturity, but were prohibited from rediscounting any paper which was secured by fixed investments or by bonds other than Government bonds. In many cases adequate relief was provided by making advances of less than one-third of the amounts originally asked for, because the willingness of the Corporation to provide means for paying off part of the obligations increased the credit position of the borrower, and in other institutions it developed that the current effect of a commitment by the Corporation was such that the whole amount desired could be obtained through the investment market without the necessity of calling upon the Corporation to take any part of the amount agreed upon.

In making advances to public-utility companies, the directors of the Corporation undertook to satisfy themselves not only that the facilities afforded by these companies were necessary or contributory to the operation of enterprises directly engaged in the manufacture or transportation of war essentials, either by furnishing power or by affording means of transportation for labor employed at the war industries, but also that the action by the Corporation was necessary to avert a general financial condition which would have affected unfavorably Government borrowings.

Not all of the advances made by the Corporation were for large sums. Applications for small advances were given the same attention as those for large amounts. In cases where advances could not be made, the directors and officers of the Corporation, at all times, gave their time freely for the purpose of examining the needs of the applicant, endeavoring to give advice and suggestions of a helpful character. In many instances such conferences were helpful in working out plans whereby the applicant was able to obtain financial

assistance from the Corporation or from other sources to enable him to contribute to the country's war effort.

The Corporation under its war powers advanced to public-utility companies the sum of \$39,797,400, of which \$39,621,537.13 was repaid. The difference of \$175,862.87 which was not repaid, resulted from reorganizations, bankruptcies, and settlements with borrowers.

Advances to industrial corporations.

The Corporation considered many applications for loans to industrial enterprises, including coal-mining companies and those engaged in the manufacture of war materials. In many cases it was found that the funds required could be secured through other governmental agencies more directly concerned in the applicants' output, and the Corporation made advances only in those instances where the security appeared to be adequate in any circumstances, regardless of the duration of the war, and where there was a positive recommendation of the Government department or agency directly interested as to the necessity for the operation. Many of these applications were made upon the theory that the war would continue for a period of years and that the loan would be repaid out of profits, but the directors felt that they had no authority to absorb what may be termed "war waste," and avoided making loans which involved any speculation as to the duration of the war or where the security would be impaired by the cancelation of war contracts.

The loans to industrial corporations amounted to \$23,814,674.24. Of this amount, \$23,418,550.14 was repaid. The difference of \$396,124.10, which was not repaid, resulted from the reorganization of a borrowing concern.

Advances to cattle raisers.

During the month of August 1918, the Board, at the suggestion of the Secretary of the Treasury, investigated the necessity of extending financial aid to the cattle industry in the West and Southwest and especially in the drought-stricken areas of those sections. Certain directors of the Corporation, with counsel, attended a conference at Kansas City, Mo., with officers of the Federal Reserve banks of Kansas City and Dallas and cattle raisers and representatives of cattle-loan companies, at which the question of extending Government aid was fully discussed.

In the drought-stricken sections stock cattle were being sold for slaughter, and in other sections where more favorable climatic conditions prevailed, breeding cattle were being sold to packers because of the inability of owners to hold them. The banks and cattle-loan companies were unable to extend their usual credits to cattlemen because of their inability to place cattle paper through their accustomed channels due to the very heavy volume of Government financing.

In order to preserve this breeding stock and to prevent a serious shortage in the meat supply, the Corporation decided to make, when necessary, direct loans to cattle raisers and established cattle loan agencies at Dallas and Kansas City to provide the necessary machinery to handle the business. Specific territory was assigned to each of these agencies; the chairman and Governor of the Federal Reserve bank at each place, with three others, constituting a cattle

loan committee with authority to employ the necessary inspectors, clerks, and accountants. Instructions were given to receive applications and transmit to the directors of the Corporation at Washington, D. C., such requests for advances on cattle as met with the agencies' favorable recommendations.

The Corporation upon the recommendations of the cattle loan committees advanced to cattle raisers and cattle loan agencies the sum of \$7,869,548.91, of which \$7,856,458.23 was repaid. The loans made through the agencies of Dallas and Kansas City amounted to \$5,474,230.97 and \$2,395,317.94, respectively. The difference of \$13,090.68 resulted from reorganizations, bankruptcies, and compromise settlements effected with borrowers.

Total advances under section 9.

The total amount of advances made direct to borrowers under section 9 of the act, the amount of repayments thereon, and the differences resulting from compromise settlements, bankruptcies, etc., are as follows:

Advances direct to borrowers

Class	Advances	Repayments	Difference
Warehouse receipts (canners).....	\$211, 500.00	\$211, 500.00	-----
Warehouse receipts (wheat).....	25, 000, 000.00	25, 000, 000.00	-----
Railroads.....	204, 794, 520.00	204, 794, 520.00	-----
Public utilities.....	39, 797, 400.00	39, 621, 537.13	\$175, 862. 87
Industrial companies.....	23, 814, 674. 24	23, 418, 550. 14	396, 124. 10
Cattle raisers.....	7, 869, 548. 91	7, 856, 458. 23	13, 090. 68
Total (exhibit A).....	301, 487, 643. 15	300, 902, 565. 50	585, 077. 65

ADVANCES IN AID OF EXPORTS

Under Section 21 of Act of March 3, 1919

The Corporation was authorized by the Congress under section 21 of the act approved March 3, 1919 (40 Stat. 1309), to make advances to assist in the exportation of domestic products to foreign countries. Such advances could not exceed \$1,000,000,000 outstanding at any one time, and were to be made either directly to American exporters or to American banking institutions which had made advances to any person, firm, corporation, or association for the purpose of assisting in the exportation of domestic products. The maximum maturity of such loans was 5 years.

This authority was exercised until May 10, 1920, when, at the request of the Secretary of the Treasury, further advances were suspended, except pursuant to commitments theretofore made. This action was announced by the Secretary of the Treasury in a public statement on May 10, 1920, as follows:

At my request the War Finance Corporation has suspended the making of further advances in aid of exports, except pursuant to commitments heretofore made. The general powers of the Corporation expire 6 months after the termination of the war, and the special powers conferred upon it under the Victory Loan Act expire 1 year after the termination of the war. The continuance of a technical state of war long after the time contemplated when this legislation was enacted and when the conditions which gave rise to it have ceased to exist, has presented a

problem of no small concern. The act creating the Corporation was passed during the war. In general terms, it was intended that the Corporation should assist business and agencies in activities for the successful prosecution of the war. After the armistice, when business had suffered a recession in consequence of the cancelation of war orders, and when there was a fear that exports might decline and unemployment exist, an amendment to the act was passed authorizing the Corporation to assist in the financing of exports. Now, more than a year later, and after direct Government loans to European governments have for all practical purposes been discontinued, business is prosperous, and involuntary unemployment is negligible. The export business not only has not declined, but has actually increased. In the calendar year 1918 total exports amounted to \$6,149,000,000. They rose in the calendar year 1919 to \$7,922,000,000, and for the first quarter of this year they greatly exceeded those of the first quarter of last year.

Obviously, private interests are not failing to finance exports. In the circumstances it does not seem necessary now that the Government should continue to intervene to stimulate exports, particularly as it is compelled to resort from time to time to temporary borrowing in part to meet its present obligations. In existing circumstances it seems clear that the Government should enter the borrowing field as seldom as possible, and then for the lowest possible sums. It would be a question whether the Government should continue to aid and stimulate exports, considering their present volume privately financed, even if the Treasury had surplus funds. It seems clear to me that it should not continue to do so when the Treasury has to resort to borrowing from time to time. The entire capital stock of the War Finance Corporation, \$500,000,000, has been issued and is held by the Treasury. This and its reserve fund of about \$25,000,000 are invested to the extent of about \$422,000,000 in United States bonds, notes, and certificates of indebtedness, and to the extent of about \$103,000,000 in other loans and investments. Consequently, if the Corporation continues to make loans in aid of exports, can do so only by calling upon the Treasury of the United States to redeem securities of the United States in which the capital furnished by the United States is invested, or by selling bonds of the War Finance Corporation to the public. These bonds, although not guaranteed by the United States Government, would nevertheless be marketable only on account of the ownership of the entire capital by the Government.

The directors of the Corporation at a meeting on May 10, 1920, adopted the following resolution:

Resolved, That at the request of the Secretary of the Treasury and pending further action by this Board, the making by the Corporation of further advances for export purposes, except pursuant to existing commitments, be suspended.

Immediately steps were taken to advise all applicants having no definite commitments that there had been a change in policy and that their applications could not be given further consideration. This action terminated negotiations with respect to possible additional commitments. As of the date these activities were suspended, total loans and commitments aggregated \$69,201,920. As a result of the action on the part of the applicants to voluntarily waive their rights to receive advances which the Corporation had been committed to make to them, and the cancelation of proposed loans, total loans and commitments were reduced to \$48,149,574.27.

Of the above amount, \$46,347,654.27 was advanced and fully repaid. The remaining commitment of \$1,801,920 was canceled when the applicants failed to exercise the option of completing their loans prior to March 1, 1921, the date upon which the Corporation ceased making export loans.

The following summary shows the amounts furnished for financing the exportation of domestic products under section 21 of the act, classi-

fied by commodities and countries to which the exportations were made:

Loans to finance the exportation of domestic products

Commodities	Countries	Advances	Repayments
Agricultural implements.....	{ Great Britain..... France..... Belgium.....	\$4,000,000.00	\$4,000,000.00
Condensed milk.....	{ England..... France..... Great Britain.....	5,000,000.00	5,000,000.00
Electrical equipment and supplies.....	{ South Africa..... Australia..... France..... Belgium.....	10,796,537.00	10,796,537.00
Cotton.....	{ Italy..... Czechoslovakia.....	9,322,117.27	9,322,117.27
Grain, flour and foodstuffs.....	Belgium.....	12,229,000.00	12,229,000.00
Locomotives.....	Poland.....	5,000,000.00	5,000,000.00
Total (exhibit A).....		46,347,654.27	46,347,654.27

TRANSACTIONS IN LIBERTY LOAN BONDS AND VICTORY LOAN NOTES

The Corporation, in pursuance of the authority granted under section 11 of the act of April 5, 1918 (40 Stat. 506), creating the Corporation, was the chief agency through which the Treasury purchased Liberty bonds and Victory notes for the bond purchase fund, and the sinking fund created under the Victory Liberty Loan Act approved March 3, 1919 (40 Stat. 1309). The Secretary of the Treasury announced that after June 30, 1920, such purchases as the Treasury had to make for the bond purchase fund or the sinking fund would be occasional and not habitual. The result of this announcement was that the Corporation's trading activities in Liberty Loan and Victory Loan notes were greatly curtailed after June 30, 1920.

The Corporation purchased on the market Liberty bonds and Victory notes, par value \$1,911,970,850, at a cost of \$1,817,595,403.94, and resold them at a loss to the Corporation of \$51,127.10. The sales to the Treasury were made at average cost plus accrued interest. The total proceeds from sale of securities amounted to \$1,817,544,276.84, of which \$1,693,337,652.37 was received from the Treasury Department, \$79,205,427.23 from other Government departments and the balance of \$45,001,197.24 from sales consummated on the open market.

The Corporation, in accordance with the mandatory provisions of the Urgent Deficiency Act, approved May 8, 1920 (41 Stat. 589), purchased from the United States Railroad Administration, at par value plus accrued interest, Liberty Loan bonds and Victory notes amounting to \$43,270,100. These securities were sold to the Treasury Department upon the same basis.

RENEWAL OF CORPORATE ACTIVITIES TO FINANCE EXPORTS

The activities of the Corporation were suspended in May 1920 but the Congress, on January 4, 1921, adopted a joint resolution, Senate Joint Resolution 212 (41 Stat. 1084), directing the Secretary of the Treasury to revive its activities with the view of assisting in the

financing of the exportation of agricultural and other products to foreign countries. The text of the resolution was as follows:

That the Secretary of the Treasury and the members of the War Finance Corporation are hereby directed to revive the activities of the War Finance Corporation, and that said Corporation be at once rehabilitated with the view of assisting in the financing of the exportation of agricultural and other products to foreign countries.

In view of the terms of the resolution, the evident intent of Congress and conditions throughout the country, the directors of the Corporation, in resuming operations, concentrated their efforts in the beginning largely on the development of methods for the financing of exports of agricultural commodities.

EXPORT FINANCING

Financing cotton.

Following the revival of its activities, the authority of the Corporation was confined to export financing, and as the great American agricultural product exported was raw cotton, the directors of the Corporation turned their attention first to this important factor in the American economic structure. Meetings with representative bankers and exporters were held in Washington, Atlanta, New Orleans, and New York to consider the best methods of financing exports of cotton on credit. These meetings indicated that a change had come over the European buyer. He was no longer anxious to buy on credit, as he had been after the armistice and up to the latter part of 1920. He had suffered heavy losses in connection with purchases on credit as a result of the depreciation and the fluctuations in exchange, and he no longer desired to buy on that basis.

Recognizing the changed situation, the Corporation offered, as a first step, to make advances to exporters for the purpose of carrying stocks of American cotton in foreign warehouses, and some advances were made for this purpose. While this action proved to be helpful, it was soon found that it did not meet the situation in an adequate way. It was then decided to make advances on cotton stored in America which was under contract for sale to foreigners, but applications for such advances were not filed on a sufficiently large scale to become an important factor.

At the beginning of July 1921, the Corporation approved an application of a cooperative association in Mississippi to finance the carrying of 100,000 bales of long-staple cotton for export. By the terms of the advance the association agreed that, out of the 100,000 bales pledged as security for the loan, it would export within 1 year a sufficient quantity to repay the full amount of the advance out of the proceeds of export sales—the cotton to be held in American warehouses until the time was opportune for export. The announcement of this transaction created considerable interest, and was followed by applications from other cooperative organizations in Texas, Oklahoma, and Arizona, as well as from banking institutions in the South, for assistance in financing large quantities of cotton for export in a similar manner. In all these transactions the greatest care was taken to insure the use of the funds advanced by the Corporation solely for the purpose of orderly marketing, without encouraging holding for speculative purposes.

The assistance rendered by the Corporation undoubtedly was an important factor in the improvement in the market for cotton during the year 1920. In all, the Corporation had agreed to finance approximately 1,000,000 bales, largely of the new crop, involving approximately \$60,000,000. While this sum was relatively small in comparison with the total value of the crop, nevertheless the assurance of financial assistance had a beneficial effect upon the manufacturer and the dealer, and also upon the banks which made loans upon cotton as collateral security. As soon as there was confidence that the industry would be adequately financed, the buyers came into the market, both at home and abroad, with marked effect on the price of cotton and of cotton goods. It was, of course, not within the province of the War Finance Corporation to conduct its business with the view of affecting prices. But it was its duty to offer adequate financing on a sound basis, and if prices were depressed because of inadequate financing rather than because of inadequate demand, it would be natural for prices to be affected favorably by providing financing where it had been lacking.

It should be pointed out here that the service rendered by the War Finance Corporation cannot be measured by any mere statement of its advances. Entirely aside from the direct aid given by the Corporation through the exercise of its powers and the application of its funds, it was rendering a service and exerting an influence which was exceedingly helpful from a psychological point of view. Its very existence, with the large funds at its command, tended to inspire confidence and to facilitate the financing of transactions through ordinary banking channels. In many cases advances authorized by the Corporation were not consummated because the applicants, strengthened by the assurance of aid from the Corporation, were able to handle their business in other ways. In fact, its experience had been that wherever it loaned or agreed to loan a dollar, it produced confidence to such an extent that others were willing to advance many dollars.

Financing agricultural and other products.

The activities of the War Finance Corporation under its export powers were not confined to cotton. It agreed to make large advances to cooperative associations in the Northwest on wheat intended for export, on dried fruits and on canned fruits and vegetables to cooperative associations in California, on tobacco to exporters and banking institutions, and on condensed milk and meat products to banking institutions. It also approved a limited number of applications involving the exportation of railroad equipment, copper, and sugar-mill machinery.

Insufficiency of export financing.

The loan to the cooperative association in Mississippi on cotton marked the adoption of a new policy which proved to be exceedingly helpful. But it became increasingly clear that further action was needed to meet the new situation that had arisen in our foreign and domestic trade. The necessity of selling our staple agricultural products more gradually than we did in years prior to 1920, and the corresponding necessity of carrying our commodities here in America in larger quantities for a longer period of marketing became more and more apparent. This was strikingly illustrated by our cotton exports.

In the cotton year 1910-11, 81 percent of the exports for the entire year were concentrated in the 6 months from September to February, inclusive. In 1919-20, only 51 percent of the exports for the entire cotton year was forwarded during the same months.

This meant that it was necessary to carry forward into the second six months of the crop year 1,500,000 to 2,000,000 bales which formerly were exported during the first 6 months. And the same conditions were found to exist with reference to our other products, both agricultural and manufactured. In other words, it was the practice of European countries before the World War of 1914-18 to purchase and finance the greater part of their requirements for the year within a few months immediately following the harvest. But the situation changed after the war period with the result that foreign merchants and manufacturers did not wish to buy on a large scale on a credit basis because of the risk involved in exchange fluctuations. These fluctuations, actual and potential, made them reluctant to contract ahead for goods which were to be paid for in dollars, but which they had to sell in manufactured or even in raw form, in terms of foreign currency. This statement was confirmed not only by information received from American bankers and businessmen who were returning from Europe but also by reports from representatives of the Department of Agriculture who were sent abroad to investigate the markets in Europe for American agricultural products.

Inquiries also developed the fact that our own merchants and manufacturers were operating on the basis of the lowest possible stocks and were buying only to supply current demands. This naturally resulted in forcing large quantities of raw materials, which normally were carried by mills, wholesalers, jobbers, and retailers, back upon the original producers and the country banks which did their financing. The producers were unable to market their products as rapidly as formerly, and there was thus brought about a condition of acute distress in the agricultural sections of the country. It had become essential, therefore, that additional provisions be made for the financing of agricultural commodities until they could be marketed in an orderly way.

AGRICULTURAL CREDITS ACT

After long and careful study of the whole problem, the War Finance Corporation proposed certain amendments to the original act of April 5, 1918, which were designed to accomplish this purpose. These amendments were embodied in what is known as the Agricultural Credits Act, approved August 24, 1921 (42 Stat. 181). The act broadened the powers of the Corporation, and gave it authority to make advances not only to exporters and banking institutions, but also to dealers in and handlers of agricultural products, including cooperative associations, for the purpose of financing the carrying of such products until they could be exported or sold for export in an orderly manner. The act provided for such advances until July 1, 1922, for periods not exceeding 1 year, but the time for payment, in the discretion of the Corporation, could be extended for periods not exceeding 3 years from the dates upon which the advances were originally made. The Corporation also was authorized to make advances to persons, firms, or corporations outside of the United States who purchased our agricultural products, on condition that all

notes or other instruments evidencing such advances "be in terms payable in the United States, in currency of the United States", and "be secured by adequate guaranties or indorsements in the United States, or by warehouse receipts, acceptable collateral, or other instruments in writing conveying or securing marketable title to agricultural products in the United States."

The act also empowered the Corporation, whenever in the opinion of the board of directors the public interest so required, to make advances to any bank, banker, or trust company in the United States or to any cooperative association of producers, which may have made advances for agricultural purposes, including the breeding, raising, and fattening of livestock, or may have discounted or rediscounted notes, drafts, bills of exchange, or other negotiable instruments issued for such purposes. Such advances could be made for periods not exceeding 1 year, with discretion in the War Finance Corporation to renew them for a total period of not to exceed 3 years from the dates of the original advances. In exceptional cases the Corporation was authorized to purchase from banks, bankers, or trust companies paper secured by agricultural products, including livestock; and it was further authorized to purchase, sell, or otherwise deal in acceptances, adequately secured, issued by Edge law banking corporations, to assist them in promoting the exportation of agricultural and manufactured products.

The aggregate amount of advances made and paper purchased and outstanding at any one time was limited to \$1,000,000,000, and the Corporation was authorized to issue its bonds to the extent of three times its capital stock, or \$1,500,000,000. The phrase "bank, banker, or trust company," as used in the act, included "any reputable and responsible financing institution incorporated under the laws of any State or of the United States with resources adequate to the undertaking contemplated."

ADMINISTRATION OF AGRICULTURAL CREDITS ACT

Establishment of agricultural loan agencies.

After the passage of the act, steps were taken by the Corporation to establish the necessary machinery for its prompt and effective administration. Circulars giving full information regarding the procedure to be followed in making advances and the requirements of the Corporation in connection therewith, were published and given wide distribution. They provided that applications arising under sections 21 and 22 of the act, which relate to export transactions, as well as applications from cooperative associations, be submitted direct to the Corporation at Washington for consideration.

To facilitate the handling of advances to banks, bankers, and trust companies for agricultural purposes under section 24 of the act, and to afford the necessary assistance as quickly as possible, the Corporation decided to appoint committees in the principal agricultural and livestock sections of the country, whose chief duties would be to consider applications in the first instance, pass upon the collateral offered, and submit their recommendations to the Corporation at Washington for review and final action. The committees, which were composed of bankers and businessmen who served without compensation, were organized as promptly as the members could be selected and appointed, and in a short time they were ready to function. Each committee

was authorized to employ a secretary who would devote his entire time to the work, and to establish headquarters designated as the Agricultural Loan Agency of the War Finance Corporation in the city which ordinarily served as the financial center of the surrounding territory. Forms of application and other necessary documents were prepared by the Corporation and were furnished not only to the committees but also to the Federal Reserve Banks and their branches.

Formation of livestock loan companies.

In order to obtain first-hand information regarding agricultural conditions in the West and to expedite the administration of the new act, conferences were held in various agricultural and live stock centers in the West attended by representatives of the Corporation, the Corporation's loan committees and representative groups of businessmen, bankers, stockmen, farmers, and others. At practically every point attention was directed particularly to the seriousness of the livestock situation, and it was urged that immediate action be taken to stop the shipment of immature stock to the market and to save the breeding herds.

On account of the situation that confronted many of the small banks in the West and the limitations or restrictions imposed upon them by State laws, it was apparent that additional financing machinery was required to meet, in a satisfactory way, the needs of the livestock industry. The matter was thoroughly canvassed with the Corporation's loan committees and others in the various places. A number of companies were formed with sufficient capital to make livestock loans in their respective territories in cooperation with the War Finance Corporation. At a meeting in Fort Worth, Tex., on October 12, 1921, citizens of the State decided to organize a company, with large capital, to make livestock loans in Texas and adjoining States. Through the organization of these companies, supplementing the facilities afforded by existing loan companies and banking institutions, the Corporation undoubtedly was able promptly to make its funds available on a large scale throughout the livestock sections of the country.

ADVANCES AFTER RESUMPTION OF ACTIVITIES IN JANUARY 1921

ADVANCES

Under section 21 of the act of March 3, 1919

Under section 22 of the act of August 24, 1921

Export advances.

The powers of the Corporation upon the resumption of operations in January 1921 were restricted to the financing of domestic products for export purposes.

The Corporation accordingly authorized commitments of \$53,-374,000 on grain, tobacco, cotton, and manufactured and other agricultural products. The actual advances of \$38,653,539.82 against these export commitments were made for the most part under authority of section 21 of the act approved March 3, 1919 (40 Stat. 1309), which authority was continued in Senate Joint Resolution 212, approved January 4, 1921 (41 Stat. 1084). Subsequent to the passage of the Agricultural Credits Act, approved August 24, 1921 (42 Stat. 181), export loans were made under authority of section 22 of this act.

The Corporation assisted in the exportation of domestic products by extending financial aid to exporters, cooperative marketing associations, and banking and financial institutions as follows:

Loans to assist in exportation of domestic products

Agencies	Advances	Repayments	Differences
To exporters (exhibit B)-----	\$7, 546, 902. 24	\$7, 546, 559. 59	\$342. 65
To cooperative marketing associations (exhibit B)-----	2, 637, 755. 52	2, 637, 755. 52	-----
To banking and financial institutions (exhibit B)-----	28, 468, 882. 06	28, 468, 882. 06	-----
Total (exhibit A)-----	38, 653, 539. 82	38, 653, 197. 17	342. 65

ADVANCES

Under section 24 of the act of August 24, 1921

Agricultural and livestock advances.

Under the Agricultural Credits Act of August 24, 1921, as amended June 10, 1922 (42 Stat. 634), the Corporation was not authorized to deal directly with the individual producers. The Corporation aided the farmer not only through cooperative associations, but also through their local banking institutions with which the farmers were accustomed to doing business and which were in close touch with the conditions in their respective communities. By making advances to these institutions upon the security of their agricultural paper, the Corporation accomplished two important and necessary objectives: It first of all enabled the banks with slow assets to carry the existing loans to their customers for a longer period, thus removing the necessity for forced liquidation and thereby relieving the financial pressure which otherwise would have made it necessary for large numbers of producers to sacrifice their products without regard to the consuming demand. It also supplied many banks with funds, especially those which were in good financial condition, for making new loans and for taking care of the needs of farmers and stockmen in the surrounding territory to the extent that their individual credit warranted. The financing operations of the Corporation strengthened the banks with slow assets so that they could continue the old agricultural loans and at the same time it placed the stronger banks in a position to do new business.

The Corporation advanced \$296,987,962.47 for agricultural and livestock loans under section 24 of the Agricultural Credits Act, as amended, of which \$295,146,759.15 was repaid. The difference of \$1,841,203.32 which was not repaid resulted from bankruptcies, reorganizations, and compromise settlements with borrowers.

The following summary shows advances by the Corporation to aid in financing agricultural and livestock products:

Loans to finance agricultural and livestock products

Agencies	Advances	Repayments	Differences
To banking and financial institutions (exhibit B)-----	\$172, 047, 085. 04	\$170, 810, 864. 48	\$1, 236, 220. 56
To livestock loan companies (exhibit B)-----	86, 416, 247. 63	85, 811, 264. 87	604, 982. 76
To cooperative marketing associations (exhibit B)-----	38, 524, 629. 80	38, 524, 629. 80	-----
Total (exhibit A)-----	296, 987, 962. 47	295, 146, 759. 15	1, 841, 203. 32

Expense advances.

Under the amendment of February 20, 1924 (42 Stat. 14), the Corporation ceased to receive applications for new loans on November 30, 1924, and discontinued the making of new loans on December 31, 1924. It entered upon the period of liquidation on January 1, 1925, as provided by the said act. The only advances made by the Corporation after December 31, 1924, were "expense advances"; that is, advances necessary for the care and preservation of the Corporation's security in connection with the orderly liquidation of its assets.

The Corporation made expense advances amounting to \$1,685,922.52, of which \$1,680,436.72 was recovered. The difference of \$5,485.80 resulted from the liquidation of the securities pledged for such advances.

The following summary shows the expense advances made for the preservation of the Corporation's collateral:

Expense advances

	Advances	Repayments	Differences
Under the War Powers: Expense advances—cattle loans (exhibit A)	\$15,190.70	\$14,790.70	\$400.00
Under Agricultural Credits Act:			
Expense advances to banking and financial institutions (exhibit B)	67,398.14	62,312.34	5,085.80
Expense advances to livestock loan companies (exhibit B)	1,603,333.68	1,603,333.68	-----
Total (exhibit A)	1,670,731.82	1,665,646.02	5,085.80
Total expense advances	1,685,922.52	1,680,436.72	5,485.80

EARNINGS

The operations of the Corporation resulted in substantial earnings to the Government, and the Treasury was fully reimbursed for the large sums of capital advanced to the Corporation to enable it to meet the many emergency situations with which it had to deal.

While the Congress granted broad powers to the Corporation, it was contemplated that the Corporation's advances would be repaid and it was stipulated that they be fully and adequately secured in each instance. The emergency situations with which the Corporation had to deal were fraught with the risk of large losses. This was particularly true with respect to advances for agricultural purposes which it was necessary to make quickly and on a large scale. Applications for loans and the working out of distressed situations were considered with the fullest measure of sympathy consistent with the law and in keeping with sound principles in order that the greatest relief possible by the extension of credit might be given. The liquidation of the Corporation was conducted in an orderly manner and every endeavor made to assist borrowers who had an opportunity to work out their difficulties. Every effort was made to render the maximum of assistance to borrowers without loss to the Government.

The aggregate net earnings of the Corporation over its period of existence amounted to \$64,842,973.21, as shown in detail in exhibit E.

The earnings of the Corporation cannot be construed as profits to the Government, because a computation in this connection must take

into account the cost of the money to the Treasury which supplied all the capital of the Corporation. In other words, if the Treasury had not been called upon to furnish funds to the Corporation, its current borrowings in the market on the basis of interest-bearing obligations, of course, would have been correspondingly less.

The earnings of the Corporation represent the income received for interest on Government securities purchased by it from time to time, and on all loans made since its organization in 1918, including war loans, export loans, and agricultural and livestock loans after deducting operating expenses and charges to profit and loss. It may be stated that the cost of making and administering the agricultural and livestock loans of the Corporation was considerably greater than that of the other business of the Corporation.

PAYMENTS OF FUNDS INTO TREASURY

Pursuant to the provisions of the act approved March 1, 1929, moneys belonging to the Corporation and not required for carrying on and completing the liquidation of the Corporation's remaining assets and the winding up of its affairs were, from time to time, paid into the Treasury either as miscellaneous receipts, or for the retirement of the Corporation's outstanding capital stock. Such payments were made as follows:

On account of earnings:

Deposited as miscellaneous receipts:	Amount
Apr. 5, 1929.....	\$64,352,768.79
June 30, 1931.....	178,502.91
Jan. 26, 1934.....	100,000.00
Mar. 1, 1935.....	100,000.00
Mar. 13, 1936.....	50,000.00
June 17, 1936.....	40,000.00
Feb. 9, 1938.....	16,000.00
June 28, 1939.....	3,686.51
Total miscellaneous receipts.....	64,840,958.21
Held as a reserve in a special deposit account to the credit of the Secretary of the Treasury for final liquidation expense June 28, 1939.....	2,015.00
Total net earnings (exhibit E).....	64,842,973.21

On account of retirement of capital stock:

	Amount
Jan. 5, 1925.....	\$499,000,000
Apr. 5, 1929.....	990,000
Feb. 9, 1938.....	9,000
June 28, 1939.....	1,000
Total capital stock retired.....	500,000,000

CORPORATION IN LIQUIDATION

Liquidation under board of directors.

The Corporation entered the period of liquidation on January 1, 1925, pursuant to the act of February 20, 1924 (43 Stat. 14).

In view of the general improvement in the agricultural and banking situation which had occurred during the year 1925, as the Corporation was a temporary organization then in the process of liquidation, the banks and loan companies were encouraged and assisted in many

instances to make arrangements with permanent agencies for financing their operations as soon as it was possible to do so, utilizing the regular banking channels or the facilities of the Federal intermediate credit banks, the permanent organizations created by the Congress to assist in financing the agricultural and livestock industries.

It was the policy of the Corporation to conduct its business during the period of liquidation without hardship to applicants and their borrowers; and in cases where advances could not be repaid or refinanced within the prescribed periods because of unsatisfactory local conditions or the inability of the borrower to obtain funds from other sources, and where the condition of the advances justified such action, the Corporation would carry the remaining balances past due for such reasonable length of time as would be required to retire them in an orderly way. This situation arose with respect to some bank loans in certain sections of the South, Middle West, and Northwest, and particularly with respect to livestock loans in the Southwest.

A substantial number of the Corporation's outstanding livestock loans represented advances made through loan companies to stockmen in the Southwest. That section of the country had suffered from a severe drought extending over a period of 4 years, and as a result it was not possible to retire many of the advances during that period without undue sacrifice. Fortunately, during the latter part of the year 1925, the cattle situation in the Southwest, as well as generally, indicated an improvement and the outlook at that time for the subsequent year appeared encouraging. Cattle prices were showing an upward trend, bringing better returns to the stockmen and there was an increased demand for range cattle, both breeding animals and feeders. While many cattle raisers were laboring under a heavy burden of debt which they were not able to overcome, others were making steady progress and showed success in working out of their difficulties. The Corporation endeavored to stand by the situation, and in cases where the borrowers had a reasonable chance to work out, when other credit facilities were not available, and where repayment could be made only through the sacrifice of breeding herds or other security, it carried the loans until they could be liquidated in an orderly manner out of the proceeds of sales, or until they could be financed through other sources.

The liquidation of the affairs of the Corporation was continued under the direction of the board of directors until the close of business on April 4, 1929.

Continuance of liquidation under direction of the Secretary of the Treasury.

The act of March 1, 1929 (45 Stat. 1442), provided that the liquidation of the assets remaining at the close of April 4, 1929, and the winding up of the affairs of the Corporation thereafter were to be transferred to the Secretary of the Treasury, who, for such purpose, was given all the powers and duties of the board of directors of the Corporation under the War Finance Corporation Act of April 5, 1918, as amended.

Liquidating committee.

The Secretary of the Treasury issued an order dated April 5, 1929, exhibit H, assigning to a liquidating committee the exercise and performance, under his general supervision and direction, of all powers

and duties vested in him by the act of March 1, 1929, and directing the payment into the Treasury of the funds belonging to the Corporation which were not required for carrying on and completing the liquidation of its remaining assets, and the winding up of its affairs.

From time to time changes were made in the membership of the liquidating committee. All such changes are shown in exhibit G.

ABOLISHMENT OF CORPORATION

The liquidation of the Corporation was continued under the supervision of a liquidating committee until July 1, 1939, on which date the Corporation was abolished pursuant to section 2, subparagraph (c) of Reorganization Plan No. II of the President.

Pursuant to the said reorganization plan, the following resolution, for the final closing of the books of the Corporation, was approved by the Secretary of the Treasury on June 23, 1939:

WHEREAS pursuant to the Reorganization Plan No. II prepared by the President of the United States and transmitted to Congress on May 9, 1939, section 2, subparagraph (c) of which provides as follows:

"All of the functions, property, and obligations of the War Finance Corporation not heretofore transferred by statute to the Secretary of the Treasury are hereby transferred to the Department of the Treasury. The War Finance Corporation is hereby abolished and the Secretary of the Treasury shall complete the winding up of its affairs and shall dispose of its assets in accordance with the act of March 1, 1929 (45 Stat. 1442), not later than December 31, 1939," and,

Whereas, as provided in Public Resolution No. 20, Seventy-sixth Congress, approved June 7, 1939, the above plan and provisions thereof become effective on July 1, 1939, and,

Whereas, on June 23, 1939, the books of the War Finance Corporation show the following assets and liabilities as of that date:

ASSETS

Cash on deposit with Treasurer of the United States:	
Finance account—symbol 93045.....	\$6, 686. 51
Bond and coupon redemption account—symbol 93069.....	10, 575. 00
	<hr/>
	17, 261. 51
	<hr/>

LIABILITIES

Capital stock.....	1, 000. 00
1-year gold bonds, series A 5 percent, outstanding.....	10, 000. 00
Coupons due on bonds outstanding.....	575. 00
Net earnings to June 23, 1939.....	5, 686. 51
	<hr/>
	17, 261. 51
	<hr/>

Now, therefore, be it resolved, That in order to provide for the orderly disposition of the above assets and liabilities, it is hereby resolved that the Liquidating Committee of the War Finance Corporation provide for the consummation of the following matters:

First, that, with the approval of the Secretary of the Treasury, there shall be paid into the Treasury of the United States, as miscellaneous receipts, the sum of \$3,686.51, from funds standing to the credit of the War Finance Corporation on the books of the Treasurer of the United States, subject to its check on symbol account 93045.

Second, that, with the approval of the Secretary of the Treasury, there shall be paid into the Treasury of the United States, the sum of \$1,000 upon receipt of an amount of capital stock of the War Finance Corporation equal in face value to the amount so paid into the Treasury.

Third, that upon authorization by the Director of the Bureau of the Budget with the approval of the President, there shall be deposited in the Treasury of the United States to the credit of the Secretary of the Treasury, as a special deposit

account, the sum of \$2,000, together with any receipts which may be received by the Corporation prior to July 1, 1939, estimated as necessary to cover the expense of winding up the affairs of the Corporation subsequent to June 30, 1939.

Fourth, that, upon authorization by the Director of the Bureau of the Budget with the approval of the President there shall be deposited with the Treasurer of the United States to the credit of the Secretary of the Treasury as a special deposit account the sum of \$10,575 to be held for the redemption of outstanding series A, 5-percent gold bonds and coupons of the War Finance Corporation, dated April 1, 1919, matured April 1, 1920.

Fifth, that the secretary and treasurer of the War Finance Corporation is hereby authorized and directed to carry out this Resolution by drawing checks in the name of the War Finance Corporation, upon the Treasurer of the United States, payable to the Treasurer of the United States, in the amounts above stated, namely, \$3,686.51, \$1,000, \$2,000, and \$10,575, respectively, and the Chairman of the Liquidating Committee of the War Finance Corporation is hereby authorized and directed to countersign said checks.

With the completion of the above financial transactions, the books of the Corporation were closed and the Corporation considered as abolished.

AUDITS

Periodic independent audits were made of the books and accounts of the Corporation as follows:

<i>Auditors</i>	<i>Period of audit</i>
Haskins & Sells.....	May 17, 1918, through Jan. 18, 1919.
Haskins & Sells.....	Jan. 19, 1919, through Jan. 31, 1920.
Haskins & Sells.....	Calendar year 1920.
Haskins & Sells.....	Calendar year 1921.
Price, Waterhouse & Co.....	Calendar years 1922, 1923, and 1924.
Price, Waterhouse & Co.....	Calendar year 1925.
Price, Waterhouse & Co.....	Calendar year 1926.
Price, Waterhouse & Co.....	Calendar year 1927.
Price, Waterhouse & Co.....	Jan. 1, 1928, through Apr. 4, 1929.
Price, Waterhouse & Co.....	Apr. 5, 1929, through Apr. 4, 1930.
Division of Public Debt, Accounts and Audits, Treasury Department.	Apr. 5, 1930, through Feb. 28, 1939.

The last audit above was observed by representatives of the General Accounting Office.

DISPOSITION OF RECORDS

Subsequent to the termination of the Corporation, inventories were made of all records and files for transfer to the National Archives for appropriate disposition.

EXHIBITS

EXHIBIT A

Total advances made by the War Finance Corporation from May 20, 1918, to June 30, 1939, inclusive

	Advances	Repayments	Differences
ADVANCES UNDER THE WAR POWERS OF THE CORPORATION			
Sec. 7.—To banks, bankers, and trust companies:			
To aid canning industry.....	\$2,000,000.00	\$2,000,000.00	-----
To aid crop moving.....	113,500.00	113,500.00	-----
To aid agriculture.....	67,000.00	67,000.00	-----
To aid cattle raisers.....	404,660.12	404,660.12	-----
To aid public utilities.....	7,275.00	7,275.00	-----
To aid industrial companies.....	2,125,942.49	2,125,942.49	-----
Total.....	4,718,377.61	4,718,377.61	-----
Sec. 8.—To savings banks and building and loan associations.....	550,000.00	550,000.00	-----
Sec. 9.—Direct advances:			
Warehouse receipts—Canners.....	211,500.00	211,500.00	-----
Warehouse receipts—Wheat.....	25,000,000.00	25,000,000.00	-----
To railroads.....	204,794,520.00	204,794,520.00	-----
To public utilities.....	39,797,400.00	39,621,537.13	\$175,862.87
To industrial companies.....	23,814,674.24	23,418,550.14	396,124.10
To cattle raisers.....	7,869,548.91	7,856,458.23	13,090.68
Total.....	301,487,643.15	300,902,565.50	585,077.65
Expense advances on cattle loans—Sec. 9.....	15,190.70	14,790.70	400.00
Total advances under the war powers of the Corporation.....	306,771,211.46	306,185,733.81	585,477.65
ADVANCES FOR EXPORT PURPOSES			
Sec. 21.—Advances for export purposes prior to resumption of activities in January 1921.....	46,347,654.27	46,347,654.27	-----
Total advances under war powers, including export advances prior to resumption of activities in January 1921.....	353,118,865.73	352,533,388.08	585,477.65
ADVANCES AFTER RESUMPTION OF ACTIVITIES IN JANUARY 1921			
Secs. 21 and 22.—Advances for export purposes after resumption of activities in January 1921.....	38,653,539.82	38,653,197.17	342.65
Sec. 24.—Advances for agricultural and livestock purposes under the act of Aug. 24, 1921, as amended.....	296,987,962.47	295,146,759.15	1,841,203.32
Expense advances on above agricultural and livestock loans—Sec. 24.....	1,670,731.82	1,665,646.02	5,085.80
Total advances after resumption of activities in January 1921.....	337,312,234.11	335,465,602.34	1,846,631.77
Grand total advances.....	690,431,099.84	687,998,990.42	2,432,109.42

EXHIBIT B

*Advances for export and agricultural and livestock purposes under secs. 21, 22, and 24, of the War Finance Corporation Act, as amended, from Jan. 4, 1921, to June 30, 1939, inclusive*¹

TABLE I²—SUMMARY

	Advances approved	Advances made	Repayments	Difference ³
AGRICULTURAL AND LIVESTOCK ADVANCES				
To banking and financial institutions.....	\$188,482,914.04	\$172,047,085.04	\$170,810,864.48	\$1,236,220.56
Expense advances.....	67,398.14	67,398.14	62,312.34	5,085.80
To livestock loan companies.....	92,160,995.71	86,416,247.63	85,811,264.87	604,982.76
Expense advances.....	1,603,333.68	1,603,333.68	1,603,333.68	-----
To cooperative marketing associations.....	4197,327,450.10	38,524,629.80	38,524,629.80	-----
Total.....	479,642,091.67	298,658,694.29	296,812,405.17	1,846,289.12
EXPORT ADVANCES				
To exporters.....	9,732,608.89	7,546,902.24	7,546,559.59	342.65
To cooperative marketing associations.....	5,262,183.90	2,637,755.52	2,637,755.52	-----
To banking and financial institutions.....	43,379,462.38	28,468,882.06	28,468,882.06	-----
Total.....	58,374,255.17	38,653,539.82	38,653,197.17	342.65
TOTAL				
To exporters.....	9,732,608.89	7,546,902.24	7,546,559.59	342.65
To cooperative marketing associations.....	202,589,634.00	41,162,385.32	41,162,385.32	-----
To banking and financial institutions.....	231,862,376.42	200,515,967.10	199,279,746.54	1,236,220.56
Expense advances.....	67,398.14	67,398.14	62,312.34	5,085.80
To livestock loan companies.....	92,160,995.71	86,416,247.63	85,811,264.87	604,982.76
Expense advances.....	1,603,333.68	1,603,333.68	1,603,333.68	-----
Total.....	538,016,346.84	337,312,234.11	335,465,602.34	1,846,631.77

TABLE II

[By commodities or purposes]

AGRICULTURAL AND LIVESTOCK ADVANCES				
Grain.....	\$36,790,189.31	\$2,543,391.80	\$2,543,391.80	-----
Cotton.....	86,847,626.79	16,311,237.43	16,311,237.43	-----
Sugar beets.....	11,458,000.00	11,458,000.00	11,458,000.00	-----
Sugarcane.....	35,000.00	35,000.00	35,000.00	-----
Rice.....	13,250,000.00	6,795,304.71	6,795,304.71	-----
Canned fruits.....	300,000.00	293,242.07	293,242.07	-----
Dried fruits.....	1,250,000.00	-----	-----	-----
Peanuts.....	2,044,634.00	1,319,034.99	1,319,034.99	-----
Tobacco.....	56,500,000.00	11,227,418.80	11,227,418.80	-----
Hay.....	260,000.00	-----	-----	-----
Seeds.....	50,000.00	-----	-----	-----
General agricultural purposes.....	162,804,501.24	154,088,681.12	152,852,460.56	\$1,236,220.56
Expense advances.....	67,398.14	67,398.14	62,312.34	5,085.80
Livestock.....	106,381,408.51	92,916,651.55	92,311,668.79	604,982.76
Expense advances.....	1,603,333.68	1,603,333.68	1,603,333.68	-----
Total.....	479,642,091.67	298,658,694.29	296,812,405.17	1,846,289.12

¹ The authority of the War Finance Corporation to make new loans expired on December 31, 1924. Since that date the only advances were those designated as "expense advances," that is, advances necessary for the care and preservation of the Corporation's security.

² In a number of instances renewals of outstanding loans were included in new applications and the funds advanced under the latter were used, in whole or in part, to retire the outstanding balances. In this and the following tables all amounts representing renewals have been eliminated, and only the net additional amounts approved, or advanced, are included.

³ Represents difference between amount advanced and amount repaid, resulting from compromise settlements, and losses due to bankruptcies and financial reorganizations of some borrowers.

⁴ Includes applications totaling \$9,417,601.54, which were approved by the Corporation but subsequently withdrawn by applicants.

Advances for export and agricultural and livestock purposes under sec. 21, 22, and 24, of the War Finance Corporation Act, as amended, from Jan. 4, 1921, to June 30, 1939, inclusive—Continued

TABLE II—Continued
[By commodities or purposes]

	Advances approved	Advances made	Repayments	Difference
EXPORT ADVANCES				
Cotton.....	\$40,758,508.35	\$26,561,441.83	\$26,561,441.83	-----
Grain.....	5,777,810.69	3,277,810.69	3,277,810.69	-----
Canned fruits.....	1,120,000.00	325,060.62	325,060.62	-----
Tobacco.....	3,246,369.77	2,417,660.32	2,417,317.67	\$342.65
Meat products.....	1,000,000.00	1,000,000.00	1,000,000.00	-----
Condensed milk.....	1,000,000.00	1,000,000.00	1,000,000.00	-----
Textile products.....	250,000.00	250,000.00	250,000.00	-----
Sheet steel.....	180,000.00	180,000.00	180,000.00	-----
Copper.....	145,660.00	145,660.00	145,660.00	-----
Sugar-mill machinery.....	470,966.36	470,966.36	470,966.36	-----
Agricultural machinery.....	500,000.00	-----	-----	-----
Railroad equipment.....	2,925,000.00	2,925,000.00	2,925,000.00	-----
Lumber.....	1,000,000.00	100,000.00	100,000.00	-----
Total.....	58,374,255.17	38,653,539.82	38,653,197.17	342.65
TOTAL				
Cotton.....	127,606,135.14	42,872,679.26	42,872,679.26	-----
Grain.....	42,568,000.00	5,821,202.49	5,821,202.49	-----
Sugar beets.....	11,458,000.00	11,458,000.00	11,458,000.00	-----
Sugarcane.....	35,000.00	35,000.00	35,000.00	-----
Rice.....	13,250,000.00	6,795,304.71	6,795,304.71	-----
Canned fruits.....	1,420,000.00	618,302.69	618,302.69	-----
Dried fruits.....	1,250,000.00	-----	-----	-----
Peanuts.....	2,044,634.00	1,319,034.99	1,319,034.99	-----
Tobacco.....	59,746,369.77	13,645,079.12	13,644,736.47	342.65
Hay.....	260,000.00	-----	-----	-----
Seeds.....	50,000.00	-----	-----	-----
Meat products.....	1,000,000.00	1,000,000.00	1,000,000.00	-----
Condensed milk.....	1,000,000.00	1,000,000.00	1,000,000.00	-----
Textile products.....	250,000.00	250,000.00	250,000.00	-----
Sheet steel.....	180,000.00	180,000.00	180,000.00	-----
Copper.....	145,660.00	145,660.00	145,660.00	-----
Sugar-mill machinery.....	470,966.36	470,966.36	470,966.36	-----
Agricultural machinery.....	500,000.00	-----	-----	-----
Railroad equipment.....	2,925,000.00	2,925,000.00	2,925,000.00	-----
Lumber.....	1,000,000.00	100,000.00	100,000.00	-----
General agricultural purposes.....	162,804,501.24	154,088,681.12	152,852,460.56	1,236,220.56
Expense advances.....	67,398.14	67,398.14	62,312.34	5,085.80
Livestock.....	106,381,408.51	92,916,651.55	92,311,668.79	604,982.76
Expense advances.....	1,603,333.68	1,603,333.68	1,603,333.68	-----
Total.....	538,016,346.84	337,312,234.11	335,465,602.34	1,846,631.77

EXHIBIT C

Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),¹ Aug. 24, 1921, to June 30, 1939, inclusive

TABLE I—SUMMARY

Classification	Advances approved		Advances made	Repayments	Difference
	Number of applications	Amount			
To banking and financial institutions.....	7,081	\$188,482,914.04	\$172,047,085.04	\$170,810,864.48	\$1,236,220.56
Expense advances.....	-----	67,398.14	67,398.14	62,312.34	5,085.80
To livestock loan companies.....	1,619	92,160,995.71	86,416,247.63	85,811,264.87	604,982.76
Expense advances.....	-----	1,603,333.68	1,603,333.68	1,603,333.68	-----
To cooperative marketing associations.....	49	197,327,450.10	38,524,629.80	38,524,629.80	-----
Total.....	8,749	479,642,091.67	298,658,694.29	296,812,405.17	1,846,289.12

¹ Section 24 was added to the original War Finance Corporation Act by the Agricultural Credits Act of August 24, 1921 (42 Stat. 181).

*Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),
Aug. 24, 1921, to June 30, 1939, inclusive—Continued*

TABLE II
[By commodities or purposes]

Classification	Advances approved		Advances made	Repayments	Difference
	Number of applications	Amount			
Grain.....		\$36,790,189.31	\$2,543,391.80	\$2,543,391.80	-----
Cotton.....		86,847,626.79	16,311,237.43	16,311,237.43	-----
Sugar beets.....		11,458,000.00	11,458,000.00	11,458,000.00	-----
Sugarcane.....		35,000.00	35,000.00	35,000.00	-----
Rice.....		13,250,000.00	6,795,304.71	6,795,304.71	-----
Canned fruits.....		300,000.00	293,242.07	293,242.07	-----
Dried fruits.....		1,250,000.00			-----
Peanuts.....		2,044,634.00	1,319,034.99	1,319,034.99	-----
Tobacco.....		56,500,000.00	11,227,418.80	11,227,418.80	-----
Hay.....		260,000.00			-----
Seeds.....		50,000.00			-----
General agricultural purposes.....		162,804,501.24	154,088,681.12	152,852,460.56	\$1,236,220.55
Expense advances.....		67,398.14	67,398.14	62,312.34	5,085.80
Livestock.....		106,381,408.51	92,916,651.55	92,311,668.79	604,982.76
Expense advances.....		1,603,333.68	1,603,333.68	1,603,333.68	-----
Total.....		479,642,091.67	298,658,694.29	296,812,405.17	1,846,289.12

TABLE III
[To banks and financial institutions—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of applications	Amount				
1921						
October.....	26	\$2,131,118.00	\$1,278,500.00			\$1,278,500.00
November.....	723	29,352,312.14	19,647,980.44	\$83,975.00		20,842,505.44
December.....	1,340	41,575,985.81	34,537,726.19	171,913.10		55,208,318.53
Total.....	2,089	73,059,415.95	55,464,206.63	255,888.10		55,208,318.53
1922						
January.....	1,470	37,637,399.97	32,989,089.63	1,185,092.95		87,012,315.21
February.....	1,158	26,775,817.31	22,461,263.99	2,350,312.45		107,123,266.75
March.....	910	19,790,424.23	27,883,267.67	5,750,373.72		129,256,160.70
April.....	449	11,489,874.32	12,106,278.50	5,832,034.70		135,530,404.50
May.....	304	8,232,622.26	6,926,664.42	7,738,502.73		134,718,566.19
June.....	141	2,504,299.79	3,761,657.05	6,152,007.89		132,328,215.35
July.....	94	1,329,553.64	2,228,375.01	6,480,336.97		128,076,253.39
August.....	35	686,656.22	1,485,720.24	8,035,178.65		121,526,794.98
September.....	13	479,281.77	507,548.17	6,762,173.45		115,272,169.70
October.....	11	54,394.32	273,828.47	11,168,425.42		104,377,572.75
November.....	8	25,201.78	1,548,933.32	8,909,739.95		97,016,766.12
December.....	14	249,951.10	46,385.60	6,812,170.25		90,250,981.47
Total.....	4,607	109,255,476.71	112,219,012.07	77,176,349.13		90,250,981.47
1923						
January.....	20	165,553.18	148,734.80	8,463,497.32		81,936,218.95
February.....	8	56,151.41	100,669.22	6,233,623.20		75,803,264.97
March.....	13	165,011.82	37,842.23	6,677,759.61		69,163,347.59
April.....	19	380,729.14	59,549.00	4,764,191.43		64,458,705.16
May.....	11	55,904.19	81,685.70	4,196,525.85		60,343,865.01
June.....	9	243,032.22	109,421.97	2,893,690.84		57,559,596.14
July.....	8	100,678.32	24,794.38	2,179,819.46		55,404,571.06
August.....	6	92,449.75	90,487.92	2,120,455.27		53,374,603.71
September.....	6	129,546.32	133,766.59	2,422,861.67		51,085,508.63
October.....	4	90,039.90	308,518.12	4,170,862.79		47,223,163.96
November.....	1	28,385.60	45,985.50	3,563,897.39		43,705,252.07
December.....	4	66,927.34	46,028.37	2,963,970.43		40,787,310.01
Total.....	109	1,574,409.09	1,187,483.80	50,651,155.26		40,787,310.01

Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),
Aug. 24, 1921, to June 30, 1939, inclusive—Continued

TABLE III—Continued

[To banks and financial institutions—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of applications	Amount				
1924						
January	17	\$129,383.91		\$1,289,162.61		\$39,498,147.40
February	81	1,474,713.51	\$522,710.08	1,248,308.36		38,772,549.12
March	62	747,654.30	1,097,506.69	1,151,852.64		38,718,203.17
April	31	188,329.08	520,356.20	1,113,092.14		38,125,467.23
May	42	589,528.07	355,661.14	895,296.31		37,585,832.06
June	15	116,417.90	248,396.54	789,501.85		37,044,726.75
July	12	130,563.47	224,406.73	830,224.77		36,438,908.71
August	7	1,154,590.86	43,405.58	1,057,501.23		35,424,813.06
September			104,187.86	2,008,703.49		33,520,297.43
October	5	22,928.73	7,571.02	4,178,822.35		29,349,046.10
November	3	44,009.57	7,277.71	3,892,479.82		25,463,843.99
December	1	20,017.75	69,427.85	4,045,907.58		21,487,364.26
Total	276	4,618,137.15	13,200,907.40	22,500,853.15		21,487,364.26
1925						
January		2 \$300.00	2 \$300.00	\$1,557,881.43		\$19,929,782.83
February		150.00	150.00	1,359,359.03		18,570,573.80
March		2,623.62	2,623.62	1,572,016.88		17,001,180.54
April		1,893.98	1,893.98	1,042,665.34		15,960,409.18
May		1,494.27	1,494.27	894,836.04		15,067,067.41
June		1,206.30	1,206.30	934,661.64		14,133,612.07
July		951.69	951.69	674,086.25		13,460,477.51
August		381.25	381.25	678,712.06		12,782,146.70
September		334.58	334.58	1,189,994.36		11,592,486.92
October		396.59	396.59	1,267,042.57		10,325,840.94
November		31.00	31.00	1,104,457.76		9,221,414.18
December		126.09	126.09	1,687,419.21		7,534,121.06
Total		9,889.37	9,889.37	13,963,132.57		7,534,121.06
1926						
January		134.96	134.96	603,605.32		6,930,650.70
February		396.55	396.55	593,287.06	\$6,464.27	6,331,295.92
March		40.00	40.00	524,838.13		5,806,497.79
April		100.00	100.00	401,002.36	1,350.00	5,404,245.43
May		292.50	292.50	291,744.94	289.22	5,112,503.77
June		617.97	617.97	206,490.40	22,739.73	4,883,891.61
July		304.06	304.06	209,274.76	2,985.04	4,671,935.87
August		942.37	942.37	197,709.48	6,108.22	4,469,060.54
September				237,038.93		4,232,021.61
October				246,149.61		3,985,872.00
November				285,462.78	14,066.69	3,686,342.53
December		52.25	52.25	247,999.65	14,071.28	3,424,323.85
Total		2,880.66	2,880.66	4,044,603.42	68,074.45	3,424,323.85
1927						
January				129,232.15	17,500.00	3,277,591.70
February		11,522.19	11,522.19	139,086.85	4,994.28	3,145,032.76
March				155,704.50		2,989,328.26
April		2,595.78	2,595.78	104,712.56		2,887,211.48
May		7,916.22	7,916.22	81,015.62		2,814,112.08
June		2,155.10	2,155.10	73,380.18	\$ 83.30	2,742,970.30
July		797.17	797.17	78,547.20		2,665,220.27
August		2,221.54	2,221.54	84,207.85	20,940.55	2,562,293.41
September		2,500.00	2,500.00	77,557.64		2,487,235.77
October		40.71	40.71	100,666.37		2,386,610.11
November		254.54	254.54	179,620.33	1,096,594.83	1,110,649.49
December				126,031.65	\$ 2,100.76	986,718.60
Total		30,003.25	30,003.25	1,329,762.90	1,137,845.60	986,718.60

¹ Includes expense advances aggregating \$24,524.86 made prior to Dec. 31, 1924.

² Only expense advances have been made since Dec. 31, 1924.

³ Recoveries on previous adjustments—add.

*Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),
Aug. 24, 1921, to June 30, 1939, inclusive—Continued*

TABLE III—Continued

[To banks and financial institutions—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of applications	Amount				
1928						
January.....				\$74,567.79	\$397.50	\$911,753.31
February.....				86,505.43	³ 1,742.11	826,989.99
March.....				118,054.39	³ 2,570.98	711,506.58
April.....				80,466.26	³ 781.76	631,822.08
May.....				46,246.83	³ 5,676.12	591,251.37
June.....				24,420.34	³ 955.85	567,786.88
July.....				61,686.10	3,994.82	502,105.96
August.....				35,596.41	³ 1,355.18	467,864.73
September.....				128,082.55	35,844.85	303,937.33
October.....				33,105.43	³ 2,035.63	272,867.53
November.....		\$100.00	\$100.00	35,800.63	³ 4,075.00	241,241.90
December.....				29,779.20	205.11	211,257.59
Total.....		100.00	100.00	754,311.36	21,249.65	211,257.59
1929						
January.....				8,817.38	1,184.28	201,255.93
February.....				41,640.81	³ 3,737.24	163,352.36
March.....				44,051.66	5,780.94	113,519.76
April.....				12,032.79	³ 8,271.95	109,758.92
May.....				4,817.11	819.08	104,122.73
June.....				1,159.85	³ 58.85	103,021.73
July.....				442.78	³ 101.90	102,680.85
August.....				5,269.46	³ 1,041.60	98,452.99
September.....				4,766.92	³ 2,203.27	95,889.34
October.....				3,761.41	³ 70.00	92,197.93
November.....				29,202.82	³ 942.38	63,937.49
December.....				3,585.40	³ 309.60	60,661.69
Total.....				159,548.39	³ 8,952.49	60,661.69
Year						
1930.....				15,176.74	12,930.27	32,554.68
1931.....				7,539.36	5,844.38	19,170.94
1932.....				4,009.85	7,071.75	8,098.34
1933.....				555.39	³ 5.98	7,548.93
1934.....				2,150.84	³ 434.58	5,832.67
1935.....				2,988.14	³ 1,832.78	4,677.31
1936.....				380.22	411.81	3,885.28
1937.....						3,885.28
1938.....				4,766.00	³ 4,168.02	3,287.30
1939—June 30, 1939.....				15.00	3,272.30	
Total 1930–39.....				37,572.54	23,089.15	
Grand total.....	7,081	188,550,312.18	172,114,483.18	170,873,176.82	1,241,306.36	

³ Recoveries on previous adjustments—add.

TABLE IV

[To livestock loan companies—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of applications	Amount				
1921						
October-----	6	\$837, 472. 98	\$437, 472. 98			\$437, 472. 98
November-----	67	10, 104, 476. 14	8, 459, 777. 83	\$19, 794. 51		8, 877, 456. 30
December-----	99	13, 808, 182. 47	10, 450, 019. 74	171, 149. 85		19, 156, 326. 19
Total----	172	24, 750, 131. 59	19, 347, 270. 55	190, 944. 36		19, 156, 326. 19

Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),
Aug. 24, 1921, to June 30, 1939, inclusive—Continued

TABLE IV—Continued

[To livestock loan companies—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of applications	Amount				
1922						
January	161	\$12,814,353.74	\$11,310,363.98	\$386,043.33		\$30,080,646.84
February	168	11,340,475.48	11,855,771.54	339,359.48		41,597,058.90
March	120	7,582,865.60	9,224,932.29	898,728.70		49,923,262.49
April	110	7,070,762.17	5,184,699.12	863,447.60		54,244,514.01
May	88	4,518,925.64	8,094,351.35	2,778,368.14		59,560,497.22
June	50	2,631,194.47	2,822,176.64	1,948,307.98		60,434,365.88
July	29	1,573,359.74	1,663,258.21	1,361,020.49		60,736,603.60
August	30	840,188.00	1,608,775.03	3,819,321.28		58,526,057.35
September	16	370,714.61	600,470.61	2,254,762.49		56,871,765.47
October	10	304,350.06	325,514.73	3,840,909.83		53,356,370.37
November	19	2,450,729.22	102,580.45	4,135,970.99		49,322,979.83
December	36	1,618,921.17	610,601.89	3,446,465.98		46,487,115.74
Total	837	53,116,839.90	53,403,495.84	26,072,706.29		46,487,115.74
1923						
January	38	603,419.24	1,653,078.13	3,003,112.59		45,137,081.28
February	53	1,450,106.37	800,121.40	1,909,326.66		44,027,876.02
March	44	549,750.71	1,025,444.35	1,869,168.41		43,184,151.96
April	26	316,847.22	709,194.57	1,944,946.89		41,948,399.64
May	31	314,779.46	199,622.53	1,454,188.75		40,693,833.42
June	26	468,739.58	617,502.64	1,788,049.87		39,523,286.19
July	13	263,472.43	127,196.24	1,087,547.69		38,562,934.74
August	7	56,118.17	374,704.66	1,893,631.46		37,044,007.94
September	31	1,710,962.88	166,418.87	1,965,204.17		35,245,222.64
October	18	230,877.81	439,134.36	3,376,732.92		32,307,624.08
November	8	268,038.24	191,315.28	3,004,458.38		29,494,480.98
December	30	1,118,223.64	887,717.97	3,264,830.51		27,117,868.44
Total	325	7,351,335.75	7,191,451.00	26,560,698.30		27,117,868.44
1924						
January	32	1,820,899.25	434,853.72	973,650.41		26,579,071.75
February	35	744,762.65	830,270.08	1,233,141.82		26,176,200.01
March	53	1,311,304.59	1,288,207.44	879,780.10		26,584,627.35
April	25	242,394.08	746,354.99	522,099.84		26,808,862.50
May	23	262,102.00	533,947.27	1,307,811.22		26,034,998.55
June	21	279,487.64	226,301.81	811,644.88		25,449,655.48
July	15	279,335.03	202,879.57	838,413.53		24,814,121.52
August	12	354,290.70	267,734.09	993,907.19		24,087,948.42
September	6	71,788.24	229,550.26	1,018,467.00		23,299,031.68
October	10	123,768.11	117,513.00	2,308,803.27		21,107,741.41
November	20	701,772.40	450,871.47	2,583,338.15		18,975,274.73
December	33	798,593.88	1,193,376.64	2,516,185.85		17,652,465.52
Total	285	6,990,498.57	6,521,840.34	15,987,243.26		17,652,465.52
1925						
January	2	113,626.55	2 113,626.55	537,861.57		17,228,230.50
February		152,019.36	152,019.36	667,978.84		16,712,271.02
March		101,529.09	101,529.09	499,392.06		16,314,408.05
April		51,932.51	51,932.51	1,108,587.59		15,257,752.97
May		150,052.77	150,052.77	442,121.85		14,965,683.89
June		67,039.02	67,039.02	776,566.19		14,256,156.72
July		61,981.24	61,981.24	563,847.70		13,754,290.26
August		35,687.11	35,687.11	581,978.59		13,207,998.78
September		57,920.38	57,920.38	910,794.31		12,355,124.85
October		49,451.71	49,451.71	1,182,887.42		11,221,689.14
November		30,016.31	30,016.31	1,297,341.53		9,954,363.92
December		57,047.73	57,047.73	2,474,200.59		7,537,211.06
Total		928,303.78	928,303.78	11,043,558.24		7,537,211.06
1926						
January		26,265.22	26,265.22	310,109.23		7,253,367.05
February		30,656.60	30,656.60	196,498.44		7,087,525.21
March		24,275.50	24,275.50	265,208.08		6,846,592.63
April		29,366.29	29,366.29	87,988.15		6,787,970.77
May		55,706.33	55,706.33	392,840.83		6,450,836.27
June		17,869.72	17,869.72	469,084.19	\$1,544.83	5,998,076.97
July		43,292.81	43,292.81	207,122.36		5,834,247.42
August		18,615.31	18,615.31	113,519.83		5,739,342.90
September		21,389.05	21,389.05	658,976.15		5,101,755.80
October		41,590.47	41,590.47	213,863.51		4,929,482.76

1 Includes expense advances aggregating \$47,810.10 made prior to Dec. 31, 1924.

2 Only expense advances have been made since Dec. 31, 1924.

*Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),
Aug. 24, 1921, to June 30, 1939, inclusive—Continued*

TABLE IV—Continued

[To livestock loan companies—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of appli- cations	Amount				
1926—Con.						
November.....		\$6,331.05	\$6,331.05	\$434,959.83		\$4,500,853.98
December.....		38,005.94	38,005.94	505,381.34		4,033,478.58
Total.....		353,364.29	353,364.29	3,855,551.94	\$1,544.83	4,033,478.58
1927						
January.....		4,887.04	4,887.04	209,999.39		3,828,366.23
February.....		30,469.35	30,469.35	324,417.22		3,534,418.36
March.....		237.01	237.01	283,306.30		3,251,349.07
April.....		17,085.14	17,085.14	1,009,619.74		2,258,814.47
May.....		15,193.13	15,193.13	105,437.84		2,168,569.76
June.....		20,422.15	20,422.15	86,205.75		2,102,786.16
July.....		405.04	405.04	37,447.23		2,065,743.97
August.....		15,040.30	15,040.30	76,861.02		2,003,923.25
September.....		15,020.71	15,020.71	224,177.46		1,794,766.50
October.....		10,000.00	10,000.00	65,379.84	48,118.73	1,691,267.93
November.....		10,287.18	10,287.18	607,335.62	405,184.02	689,035.47
December.....		10,287.53	10,287.53	324,479.01	³ 61.50	374,905.49
Total.....		149,334.58	149,334.58	3,354,666.42	453,241.25	374,905.49
1928						
January.....				44,609.61	³ 1,572.08	331,867.96
February.....		69,291.67	69,291.67	1,777.22		399,382.41
March.....		10,000.00	10,000.00	83,786.85		325,595.56
April.....		29,894.91	29,894.91	2,593.96	36.00	352,860.51
May.....		2,500.00	2,500.00	20,815.60	³ 250.00	334,794.91
June.....		2,500.00	2,500.00	1,038.75		336,256.16
July.....		2,500.00	2,500.00	54,084.20	5,657.20	279,014.76
August.....				612.75	³ 500.00	278,902.01
September.....				71.50		278,830.51
October.....		6,834.35	6,834.35	218.25		285,446.61
November.....		1,000.00	1,000.00	30,380.19		256,066.42
December.....				12,695.67		243,370.75
Total.....		124,520.93	124,520.93	252,684.55	3,371.12	243,370.75
1929						
January.....						243,370.75
February.....						243,370.75
March.....				1,500.00	³ 1,500.00	243,370.75
April.....					137,766.19	105,604.56
May.....						105,604.56
June.....						105,604.56
July.....						105,604.56
August.....				2,749.75	³ 2,249.75	105,104.56
September.....				2,557.92	³ 57.92	102,604.56
October.....						102,604.56
November.....						102,604.56
December.....						
Total.....				6,807.67	133,958.52	102,604.56
Year						
1930.....				76,152.64		26,451.92
1931.....				968.71	³ 371.35	25,854.56
1932.....				40.55	20,090.71	5,723.30
1933.....					400.00	5,323.30
1934.....				8,375.23	³ 5,551.93	2,500.00
1935.....				10.00	³ 10.00	2,500.00
1936.....				131.87	³ 131.87	2,500.00
1937.....				4,058.52	³ 1,558.52	
1938.....						
1939—June 30, 1939.....						
Total 1930- 39.....				89,737.52	12,867.04	
Grand total.	1,619	93,764,329.39	88,019,581.31	87,414,598.55	604,982.76	

³ Recoveries on previous adjustments—add.

Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1) Aug. 24, 1921, to June 30, 1939, inclusive—Continued

TABLE V

[To cooperative marketing associations—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of applications	Amount				
1921						
September	1	\$1,200,000.00				\$640,995.93
October	1	15,000,000.00	\$640,995.93			3,625,453.27
November	5	23,725,460.44	2,986,782.95	\$2,325.61		7,975,354.75
December	3	7,250,000.00	4,521,457.01	171,555.53		7,975,354.75
Total	10	47,175,460.44	8,149,235.89	173,881.14		7,975,354.75
1922						
January	2	1,212,355.66	1,759,093.49	189,357.30		9,545,090.94
February	1	10,000,000.00	974,687.05	496,811.25		10,022,966.74
March			477,356.29	3,424,043.11		7,076,279.92
April	2	134,403.00	278,174.00	2,572,855.91		4,781,598.01
May	4	555,231.00	4,208,839.25	2,084,222.45		6,906,214.81
June			12,547.00	1,066,420.70		5,852,341.11
July				980,036.38		4,872,304.73
August	6	43,060,000.00	700,000.00	629,700.17		4,942,604.56
September	3	15,500,000.00	111,611.69	325,632.65		4,728,583.60
October	5	23,500,000.00	879,626.36	456,014.46		5,158,195.50
November	8	31,690,000.00	6,336,346.51	2,173,381.76		9,321,160.25
December	2	7,500,000.00	4,758,786.45	2,303,092.61		11,776,854.09
Total	33	133,151,989.66	20,497,068.09	16,695,568.75		11,776,854.09
1923						
January	1	5,000,000.00	1,607,396.10	1,211,991.28		12,172,258.91
February			299,843.44	1,865,210.82		10,606,891.53
March			329,319.23	2,029,085.59		8,907,125.17
April			5,089,161.02	1,468,506.87		12,527,779.32
May				1,566,340.32		10,961,439.00
June				2,205,954.30		8,755,484.70
July				1,408,814.69		7,346,670.01
August	2	4,000,000.00		2,744,038.02		4,602,631.99
September	2	6,500,000.00		1,334,550.71		3,268,081.23
October	1	1,500,000.00	1,618,368.42	831,176.23		4,055,273.47
November			345,193.05	1,202,028.84		3,198,437.68
December			440,167.22	1,389,738.71		2,248,866.19
Total	6	17,000,000.00	9,729,448.48	19,257,436.38		2,248,866.19
1924						
January			133,583.19	239,302.17		2,143,147.21
February			15,294.15	180,294.50		1,978,146.86
March				179,181.86		1,798,965.00
April				276,229.61		1,522,735.39
May				223,723.22		1,299,012.17
June				6,476.60		1,292,535.57
July				22,697.45		1,269,838.12
August						1,269,838.12
September				2,435.30		1,267,402.82
October				38,609.90		1,228,792.92
November				7,772.10		1,221,020.82
December				121,012.75		1,100,008.07
Total			148,877.34	1,297,735.46		1,100,008.07
1925						
January				25,330.65		1,074,677.42
February				108.68		1,074,568.74
March				100,000.00		974,568.74
April				36,203.94		938,364.80
May				95,738.95		842,625.85
June				11,177.90		831,447.95
July				4,945.35		826,502.60
August				77,254.30		749,248.30
September				10,061.55		739,186.75
October				12,567.30		726,619.45
November				60,738.00		665,881.45
December				172,932.18		492,949.27
Total				607,058.80		492,949.27
1926						
January				41,226.75		451,722.52
February				9,919.45		441,803.07
March				6,090.85		435,712.22
April				63,665.91		372,046.31

Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1), Aug. 24, 1921, to June 30, 1939, inclusive—Continued

TABLE V—Continued

[To cooperative marketing associations—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of applications	Amount				
1926—Con.						
May.....				\$65,410.77		\$306,635.54
June.....				221.85		306,413.69
July.....				9,307.40		297,106.29
August.....				1,690.83		295,415.46
September.....						295,415.46
October.....				56,778.27		238,637.19
November.....				5,111.97		233,525.22
December.....				20,772.77		212,752.45
Total.....				280,196.82		212,752.45
1927						
January.....				9,149.97		203,602.48
February.....				67,910.84		135,691.64
March.....				28,931.00		106,760.64
April.....				33,237.42		73,523.22
May.....				6,467.25		67,055.97
June.....				67,055.97		
Total.....				212,752.45		
Grand total.....	49	\$197,327,450.10	\$38,524,629.80	\$38,524,629.80		

TABLE VI

[To all classes of borrowers—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of applications	Amount				
1921						
September.....	1	\$1,200,000.00				
October.....	33	17,968,590.98	\$2,356,968.91			\$2,356,968.91
November.....	795	63,182,248.72	31,694,541.22	\$106,095.12		33,345,415.01
December.....	1,442	62,634,168.28	49,509,202.94	514,618.48		82,339,999.47
Total.....	2,271	144,985,007.98	82,960,713.07	620,713.60		82,339,999.47
1922						
January.....	1,633	51,664,109.37	46,058,547.10	1,760,493.58		126,638,052.99
February.....	1,327	48,116,292.79	35,291,722.58	3,186,483.18		158,743,292.39
March.....	1,030	27,373,289.83	37,585,556.25	10,073,145.53		186,255,703.11
April.....	561	18,695,039.49	17,569,151.62	9,268,338.21		194,556,516.52
May.....	396	13,306,778.90	19,229,855.02	12,601,093.32		201,185,278.22
June.....	191	5,135,494.26	6,596,380.69	9,166,736.57		198,614,922.34
July.....	123	2,902,913.38	3,891,633.22	8,821,393.84		193,685,161.72
August.....	71	44,586,844.22	3,794,495.27	12,484,200.10		184,995,456.89
September.....	32	16,349,996.38	1,219,630.47	9,342,568.59		176,872,518.77
October.....	26	23,858,744.38	1,478,969.56	15,459,349.71		162,892,138.62
November.....	35	34,165,931.00	7,987,860.28	15,219,092.70		155,660,906.20
December.....	52	9,368,872.27	5,415,773.94	12,561,728.84		148,514,951.30
Total.....	5,477	295,524,306.27	186,119,576.00	119,944,624.17		148,514,951.30
1923						
January.....	59	5,768,972.42	3,409,209.03	12,678,601.19		139,245,559.14
February.....	61	1,506,257.78	1,200,634.06	10,008,160.68		130,438,032.52
March.....	57	714,762.53	1,392,605.81	10,576,013.61		121,254,624.72
April.....	45	697,576.36	5,857,904.59	8,177,645.19		118,934,884.12
May.....	42	370,683.65	281,308.23	7,217,054.92		111,999,137.43
June.....	35	711,771.80	726,924.61	6,887,695.01		105,838,367.03
July.....	21	364,150.75	151,990.62	4,676,181.84		101,314,175.81
August.....	15	4,148,567.92	465,192.58	6,758,124.75		95,021,243.64
September.....	39	8,340,599.20	300,185.46	5,722,616.55		89,598,812.55
October.....	23	1,820,917.71	2,366,020.90	8,378,771.94		83,586,061.51

Advance for "Agricultural and livestock purposes" under sec. 24 (par. 1), Aug. 24, 1921, to June 30, 1939, inclusive—Continued

TABLE VI—Continued

[To all classes of borrowers—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of applications	Amount				
1923—Con.						
November.....	9	\$296,423.74	\$582,493.83	\$7,770,384.61	-----	\$76,398,170.73
December.....	34	1,185,150.98	1,373,913.56	7,618,039.65	-----	70,154,044.64
Total.....	440	25,925,744.84	18,108,383.28	96,469,289.94	-----	70,154,044.64
1924						
January.....	49	1,950,283.16	568,436.91	2,502,115.19	-----	68,220,366.36
February.....	116	2,219,476.16	1,368,274.31	2,661,744.68	-----	66,926,895.99
March.....	115	2,058,958.89	2,385,714.13	2,210,814.60	-----	67,101,795.52
April.....	56	430,723.16	1,266,691.19	1,911,421.59	-----	66,457,065.12
May.....	65	851,630.07	889,608.41	2,426,830.75	-----	64,919,842.78
June.....	36	395,905.54	474,698.35	1,607,623.33	-----	63,786,917.80
July.....	27	409,898.50	427,286.30	1,691,335.75	-----	62,522,868.35
August.....	19	1,508,881.56	311,139.67	2,051,408.42	-----	60,782,599.60
September.....	6	71,788.24	333,738.12	3,029,605.79	-----	58,036,731.93
October.....	15	146,696.84	125,034.02	6,526,235.52	-----	51,685,580.43
November.....	23	745,781.97	458,149.18	6,483,590.07	-----	45,660,139.54
December.....	34	818,611.63	1,262,804.49	6,683,106.18	-----	40,239,837.85
Total.....	561	11,608,635.72	19,871,625.08	39,785,831.87	-----	40,239,837.85
1925						
January.....		² 113,926.55	² 113,926.55	2,121,073.65	-----	38,232,690.75
February.....		152,169.36	152,169.36	2,027,446.55	-----	36,357,413.56
March.....		104,152.71	104,152.71	2,171,408.94	-----	34,290,157.33
April.....		53,826.49	53,826.49	2,187,456.87	-----	32,156,526.95
May.....		151,547.04	151,547.04	1,432,696.84	-----	30,875,377.15
June.....		63,245.32	63,245.32	1,722,405.73	-----	29,221,216.74
July.....		62,932.93	62,932.93	1,242,879.30	-----	28,041,270.37
August.....		36,068.36	36,068.36	1,337,944.95	-----	26,739,393.78
September.....		58,254.96	58,254.96	2,110,850.22	-----	24,686,793.52
October.....		49,848.30	49,848.30	2,462,497.29	-----	22,274,149.53
November.....		30,047.31	30,047.31	2,462,537.29	-----	19,841,659.55
December.....		57,173.82	57,173.82	4,334,551.98	-----	15,564,281.39
Total.....		938,193.15	938,193.15	25,613,749.61	-----	15,564,281.39
1926						
January.....		26,400.18	26,400.18	954,941.30	-----	14,635,740.27
February.....		31,053.15	31,053.15	799,704.95	\$6,464.27	13,860,624.20
March.....		24,315.50	24,315.50	796,137.06	-----	13,088,802.64
April.....		29,466.29	29,466.29	552,656.42	1,350.00	12,564,262.51
May.....		55,998.83	55,998.83	749,996.54	289.22	11,869,975.58
June.....		18,487.69	18,487.69	675,796.44	24,284.56	11,188,382.27
July.....		43,596.87	43,596.87	425,704.52	2,985.04	10,803,289.58
August.....		19,557.68	19,557.68	312,920.14	6,108.22	10,503,818.90
September.....		21,389.05	21,389.05	896,015.08	-----	9,629,192.87
October.....		41,590.47	41,590.47	516,791.39	-----	9,153,991.95
November.....		6,331.05	6,331.05	725,534.58	14,066.69	8,420,721.73
December.....		38,058.19	38,058.19	774,153.76	14,071.28	7,670,554.88
Total.....		356,244.95	356,244.95	8,180,352.18	69,619.28	7,670,554.88
1927						
January.....		4,887.04	4,887.04	348,381.51	17,500.00	7,309,560.41
February.....		41,991.54	41,991.54	531,414.91	4,994.28	6,815,142.76
March.....		237.01	237.01	467,941.80	-----	6,347,437.97
April.....		19,680.92	19,680.92	1,147,569.72	-----	5,219,549.17
May.....		23,109.35	23,109.35	192,920.71	-----	5,049,737.81
June.....		22,577.25	22,577.25	226,641.90	³ 83.30	4,845,756.46
July.....		1,202.21	1,202.21	115,994.43	-----	4,730,964.24
August.....		17,261.84	17,261.84	161,068.87	20,940.55	4,566,216.66
September.....		17,520.71	17,520.71	301,735.10	-----	4,282,002.27
October.....		10,040.71	10,040.71	166,046.21	48,118.73	4,077,878.04
November.....		10,541.72	10,541.72	786,955.95	1,501,778.85	1,799,684.96
December.....		10,287.53	10,287.53	450,510.66	³ 2,162.26	1,361,624.09
Total.....		179,337.83	179,337.83	4,897,181.77	1,591,086.85	1,361,624.09

¹ Includes expense advances aggregating \$72,334.96 made prior to Dec. 31, 1924.

² Only expense advances have been made since Dec. 31, 1924.

³ Recoveries on previous adjustments—add.

*Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),
Aug. 24, 1921, to June 30, 1939, inclusive—Continued*

TABLE VI—Continued
[To all classes of borrowers—By months and years]

Month	Advances approved		Advances made	Repayments	Difference	Outstanding at end of month
	Number of appli- cations	Amount				
1928						
January				\$119, 177. 40	³ \$1, 174. 58	\$1, 243, 621. 27
February		\$69, 291. 67	\$69, 291. 67	88, 282. 65	³ 1, 742. 11	1, 226, 372. 40
March		10, 000. 00	10, 000. 00	201, 841. 24	³ 2, 570. 98	1, 037, 102. 14
April		29, 894. 91	29, 894. 91	83, 060. 22	³ 745. 76	984, 682. 59
May		2, 500. 00	2, 500. 00	67, 062. 43	² 5, 926. 12	926, 046. 28
June		2, 500. 00	2, 500. 00	25, 459. 09	³ 955. 85	904, 043. 04
July		2, 500. 00	2, 500. 00	115, 770. 30	9, 652. 02	781, 120. 72
August				36, 209. 16	³ 1, 855. 18	746, 766. 74
September				128, 154. 05	35, 844. 85	582, 767. 84
October		6, 834. 35	6, 834. 35	33, 323. 68	³ 2, 035. 63	558, 314. 14
November		1, 100. 00	1, 100. 00	66, 180. 82	³ 4, 075. 00	497, 308. 32
December				42, 474. 87	205. 11	454, 628. 34
Total		124, 620. 93	124, 620. 93	1, 006, 995. 91	24, 620. 77	454, 628. 34
1929						
January				8, 817. 38	1, 184. 28	444, 626. 68
February				41, 640. 81	² 3, 737. 24	406, 723. 11
March				45, 551. 66	4, 280. 94	356, 890. 51
April				12, 032. 79	129, 494. 24	215, 363. 48
May				4, 817. 11	819. 08	209, 727. 29
June				1, 159. 85	² 58. 85	208, 626. 29
July				442. 78	³ 101. 90	208, 285. 41
August				8, 019. 21	³ 3, 291. 35	203, 557. 55
September				7, 324. 84	² 2, 261. 19	198, 493. 90
October				3, 761. 41	³ 70. 00	194, 802. 49
November				29, 202. 82	³ 942. 38	166, 542. 05
December				3, 585. 40	² 309. 60	163, 266. 25
Total				166, 356. 06	125, 006. 03	163, 266. 25
Year						
1930				91, 329. 38	12, 930. 27	59, 006. 60
1931				8, 508. 07	5, 473. 03	45, 025. 50
1932				4, 041. 40	27, 162. 46	13, 821. 64
1933				555. 39	394. 02	12, 872. 23
1934				10, 526. 07	² 5, 986. 51	8, 332. 67
1935				2, 998. 14	³ 1, 842. 78	7, 177. 31
1936				512. 09	279. 94	6, 385. 28
1937				4, 058. 52	³ 1, 558. 52	3, 885. 28
1938				4, 766. 00	² 4, 168. 02	3, 287. 30
1939—June 30, 1939				15. 00	3, 272. 30	
Total 1930-39				127, 310. 06	35, 956. 19	
Grand total	8, 749	479, 642, 091. 67	298, 658, 694. 29	296, 812, 405. 17	1, 846, 289. 12	

³ Recoveries on previous adjustments—add.

TABLE VII
[To banks and financial institutions, by States]

State	Advances approved		Advances made		Repayments	Difference
	Number of applications	Amount	Number of banks	Amount		
Alabama	68	\$875,453.30	40	\$798,166.62	\$797,416.89	\$749.73
Arizona	8	942,466.08	4	395,466.08	395,466.08	
Arkansas	25	677,200.00	21	624,415.78	624,415.78	
California	11	266,360.00	5	203,320.00	203,320.00	
Colorado	45	1,907,657.92	23	1,860,055.46	1,860,055.46	
Florida	13	332,950.00	10	325,578.70	325,578.70	

*Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),
Aug. 24, 1921, to June 30, 1939, inclusive—Continued*

TABLE VII—Continued

[To banks and financial institutions, by States]

State	Advances approved		Advances made		Repayments	Difference
	Number of applications	Amount	Number of companies	Amount		
Georgia.....	405	\$7,454,587.35	215	\$6,608,492.98	\$6,099,031.78	\$509,461.20
Idaho.....	52	2,389,834.96	28	1,047,750.93	1,027,874.06	19,876.87
Illinois.....	133	5,268,332.36	119	5,109,997.36	5,109,997.36	-----
Indiana.....	56	1,514,751.48	41	1,162,454.32	1,162,454.32	-----
Iowa.....	821	24,595,038.28	529	24,210,020.99	24,169,121.12	40,899.87
Kansas.....	195	3,967,151.72	141	3,680,197.16	3,679,099.45	1,097.71
Kentucky.....	11	506,388.56	8	384,144.51	384,144.51	-----
Louisiana.....	12	1,689,399.77	7	1,355,399.77	1,355,399.77	-----
Michigan.....	6	175,000.00	6	175,000.00	175,000.00	-----
Minnesota.....	652	13,913,372.70	402	12,287,738.30	12,264,047.55	23,690.75
Mississippi.....	13	1,602,838.19	9	1,283,410.00	1,283,410.00	-----
Missouri.....	145	3,816,322.35	119	3,503,875.68	3,457,301.91	46,573.77
Montana.....	355	8,299,206.05	203	7,781,338.37	7,640,111.18	141,227.19
Nebraska.....	685	10,615,528.99	364	10,201,821.07	10,197,604.19	4,216.88
Nevada.....	2	248,000.00	2	248,000.00	248,000.00	-----
New Mexico.....	15	352,594.19	11	346,234.19	345,094.19	1,140.00
New York.....	2	600,000.00	1	600,000.00	591,757.56	8,242.44
North Carolina.....	173	9,296,803.34	130	8,748,922.38	8,733,997.56	14,924.82
North Dakota.....	1,103	21,671,936.57	598	19,925,819.85	19,735,745.17	190,074.68
Ohio.....	40	1,513,806.00	33	1,343,096.00	1,343,096.00	-----
Oklahoma.....	375	4,671,970.96	197	4,121,670.78	4,094,115.75	27,555.03
Oregon.....	42	1,661,244.70	28	1,583,151.25	1,573,537.78	9,613.47
South Carolina.....	296	11,054,609.87	170	9,569,614.22	9,511,189.01	58,425.21
South Dakota.....	686	17,260,377.24	394	15,970,437.58	15,843,805.89	126,631.69
Tennessee.....	107	3,781,673.43	81	3,154,402.39	3,153,512.61	889.78
Texas.....	238	5,707,553.13	160	4,636,198.50	4,636,198.50	-----
Utah.....	12	10,323,000.00	2	10,323,000.00	10,323,000.00	-----
Virginia.....	24	2,138,200.00	14	2,016,008.78	2,016,008.78	-----
Washington.....	29	690,641.30	21	590,641.30	590,641.30	-----
Wisconsin.....	203	6,177,258.18	174	5,690,374.19	5,674,358.92	16,015.27
Wyoming.....	23	590,803.21	7	248,267.69	248,267.69	-----
Total.....	7,081	188,550,312.18	4,317	172,114,483.18	170,873,176.82	1,241,306.36

TABLE VIII

[To livestock loan companies, by States]

Arizona.....	49	\$4,976,291.25	6	\$3,894,271.73	\$3,788,494.23	\$105,777.50
California.....	31	2,547,892.38	3	2,497,362.39	2,447,769.71	49,592.68
Colorado.....	272	10,947,147.65	17	10,120,842.57	10,119,297.74	1,544.83
Florida.....	1	400,000.00	1	400,000.00	400,000.00	-----
Idaho.....	223	5,267,181.86	7	4,763,691.34	4,763,691.34	-----
Illinois.....	2	1,550,457.63	2	1,550,457.63	1,550,457.63	-----
Kansas.....	23	1,152,733.91	4	1,105,133.91	1,105,133.91	-----
Minnesota.....	2	353,458.80	1	353,458.80	353,458.80	-----
Missouri.....	67	4,791,447.37	11	4,611,337.09	4,602,143.09	9,194.00
Montana.....	48	4,647,193.35	5	4,250,506.30	4,250,506.30	-----
Nebraska.....	39	1,734,067.40	7	1,604,420.00	1,604,420.00	-----
Nevada.....	7	715,000.00	1	672,000.00	672,000.00	-----
New Mexico.....	153	10,717,565.00	4	10,417,552.71	10,045,188.82	372,363.89
North Dakota.....	1	148,800.00	-----	-----	-----	-----
Oklahoma.....	1	40,000.00	1	40,000.00	40,000.00	-----
Oregon.....	42	5,201,769.16	8	5,112,626.05	5,112,626.05	-----
South Dakota.....	4	201,000.00	2	188,500.00	188,500.00	-----
Texas.....	332	22,183,576.02	25	22,086,450.32	22,019,940.46	66,509.86
Utah.....	26	4,121,826.18	2	2,598,755.00	2,598,755.00	-----
Washington.....	35	371,502.67	2	330,592.67	330,592.67	-----
Wyoming.....	261	11,695,418.76	5	11,421,622.80	11,421,622.80	-----
Total.....	1,619	93,764,329.39	114	88,019,581.31	87,414,598.55	604,982.76

Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),
Aug. 24, 1921, to June 30, 1939, inclusive—Continued

TABLE IX

[To cooperative marketing associations, by States]

State	Advances approved		Advances made		Repayments
	Number of applications	Amount	Number of associations	Amount	
Alabama.....	2	\$3,100,000.00			
Arizona.....	2	2,400,000.00	1	\$701,617.42	\$701,617.42
Arkansas.....	6	14,250,000.00	1	3,350,089.35	3,350,089.35
California.....	5	7,050,000.00	2	2,860,648.30	2,860,648.30
Georgia.....	2	5,035,000.00	1	35,000.00	35,000.00
Idaho.....	2	2,462,355.66	1	21,024.93	21,024.93
Illinois.....	1	50,000.00			
Kansas.....	1	2,500,000.00			
Kentucky.....	5	26,500,000.00	2	6,232,531.02	6,232,531.02
Louisiana.....	2	2,000,000.00	1	877,809.13	877,809.13
Minnesota.....	1	¹ 15,000,000.00	1	12,200.00	12,200.00
Mississippi.....	2	12,060,060.29	1	8,889,220.01	8,889,220.01
Montana.....	1	1,500,000.00	1	1,338,876.02	1,338,876.02
North Carolina.....	2	² 40,000,000.00	1	4,994,887.78	4,994,887.78
North Dakota.....	1	5,000,000.00	1	1,043,785.49	1,043,785.49
Oklahoma.....	3	14,500,000.00	2	2,330,910.68	2,330,910.68
South Carolina.....	2	15,000,000.00	1	2,670,000.00	2,670,000.00
Texas.....	5	19,547,566.50	1	1,723,100.00	1,723,100.00
Virginia.....	2	2,044,634.00	1	1,319,034.99	1,319,034.99
Washington.....	2	7,327,833.65	1	123,894.68	123,894.68
Total.....	49	³ 197,327,450.10	20	38,524,629.80	38,524,629.80

¹ This amount represents an advance authorized to a cooperative marketing association doing business in Minnesota, North Dakota, and South Dakota.

² \$30,000,000 of this amount represents an advance authorized to a cooperative marketing association doing business in North Carolina, South Carolina, and Virginia.

³ Includes advances aggregating \$27,387,816.10 originally applied for and approved for export purposes (under sec. 21) and subsequently withdrawn by the applicants and resubmitted and approved as advances for agricultural purposes under sec. 24.

TABLE X

[To all classes of borrowers, by States]

State	Advances approved		Advances made		Repayments	Difference
	Number of applications	Amount	Number of institutions	Amount		
Alabama.....	70	\$3,975,453.30	40	\$798,166.62	\$797,416.89	\$749.73
Arizona.....	59	8,318,757.33	11	4,991,355.23	4,885,577.73	105,777.50
Arkansas.....	31	14,927,200.00	22	3,974,505.13	3,974,505.13	
California.....	47	9,864,252.38	10	5,561,330.69	5,511,738.01	49,592.68
Colorado.....	317	12,854,805.57	40	11,980,898.03	11,979,353.20	1,544.83
Florida.....	14	732,950.00	11	725,578.70	725,578.70	
Georgia.....	407	12,489,587.35	216	6,643,492.98	6,134,031.78	509,461.20
Idaho.....	277	10,119,372.48	36	5,832,467.20	5,812,590.33	19,876.87
Illinois.....	136	6,868,789.99	121	6,660,454.99	6,660,454.99	
Indiana.....	56	1,514,751.48	41	1,162,454.32	1,162,454.32	
Iowa.....	821	24,595,038.28	529	24,210,020.99	24,169,121.12	40,899.87
Kansas.....	219	7,619,885.63	145	4,785,331.07	4,784,233.36	1,097.71
Kentucky.....	16	27,006,388.56	10	6,616,675.53	6,616,675.53	
Louisiana.....	14	3,689,399.77	8	2,233,208.90	2,233,208.90	
Michigan.....	6	175,000.00	6	175,000.00	175,000.00	
Minnesota.....	655	29,266,831.50	404	12,653,397.10	12,629,706.35	23,690.75
Mississippi.....	15	13,662,898.48	10	10,172,630.01	10,172,630.01	
Missouri.....	212	8,607,769.72	130	8,115,212.77	8,059,445.00	55,767.77
Montana.....	404	14,446,399.40	209	13,370,720.69	13,229,493.50	141,227.19
Nebraska.....	724	12,349,596.39	371	11,806,241.07	11,802,024.19	4,216.88
Nevada.....	9	963,000.00	3	920,000.00	920,000.00	
New Mexico.....	168	11,070,159.19	15	10,763,786.90	10,390,283.01	373,503.89
New York.....	2	600,000.00	1	600,000.00	591,757.56	8,242.44

*Advances for "Agricultural and livestock purposes" under sec. 24 (par. 1),
Aug. 24, 1921, to June 30, 1939, inclusive—Continued*

TABLE X—Continued
[To all classes of borrowers, by States]

State	Advances approved		Advances made		Repayments	Difference
	Num- ber of appli- cations	Amount	Num- ber of institu- tions	Amount		
North Carolina.....	175	\$49,296,803.34	131	\$13,743,810.16	\$13,728,885.34	\$14,924.82
North Dakota.....	1,105	26,820,736.57	599	20,969,605.34	20,779,530.66	190,074.68
Ohio.....	40	1,513,806.00	33	1,343,096.00	1,343,096.00	-----
Oklahoma.....	379	19,211,970.96	200	6,492,581.46	6,465,026.43	27,555.03
Oregon.....	84	6,863,013.86	36	6,695,777.30	6,686,163.83	9,613.47
South Carolina.....	298	26,054,609.87	171	12,239,614.22	12,181,189.01	58,425.21
South Dakota.....	690	17,461,377.24	396	16,158,937.58	16,032,305.89	126,631.69
Tennessee.....	107	3,781,673.43	81	3,154,402.39	3,153,512.61	889.78
Texas.....	575	47,438,695.65	186	28,445,748.82	28,379,238.96	66,509.86
Utah.....	38	14,444,826.18	4	12,921,755.00	12,921,755.00	-----
Virginia.....	26	4,182,834.00	15	3,335,043.77	3,335,043.77	-----
Washington.....	66	8,389,977.62	24	1,045,128.65	1,045,128.65	-----
Wisconsin.....	203	6,177,258.18	174	5,690,374.19	5,674,358.92	16,015.27
Wyoming.....	284	12,286,221.97	12	11,669,890.49	11,669,890.49	-----
Total.....	8,749	479,642,091.67	4,451	298,658,694.29	296,812,405.17	1,846,289.12

TABLE XI—EXPENSE ADVANCES

[A. In connection with agricultural and livestock loans under sec. 24 (par. 1), by States]

State	Advances made		Repayments	Difference
	Num- ber of institu- tions	Amount		
BANKING INSTITUTIONS				
Georgia.....	10	\$3,894.63	\$2,436.94	\$1,457.69
Idaho.....	2	4,274.96	4,274.96	
Missouri.....	1	175.00	175.00	
Montana.....	34	19,732.14	19,732.14	
Nehraska.....	2	962.12	962.12	
New Mexico.....	1	1,157.25	1,157.25	
North Carolina.....	2	1,368.00	1,368.00	
North Dakota.....	17	18,253.33	14,625.22	3,628.11
Oregon.....	1	3,141.40	3,141.40	
South Carolina.....	1	2,027.12	2,027.12	
South Dakota.....	2	11,562.19	11,562.19	
Washington.....	1	850.00	850.00	
Total.....	74	67,398.14	62,312.34	5,085.80
LIVESTOCK LOAN COMPANIES				
Arizona.....	3	168,499.68	168,499.68	
California.....	1	19,581.10	19,581.10	
Colorado.....	1	12,041.25	12,041.25	
Missouri.....	2	72,681.76	72,681.76	
Montana.....	1	1,381.66	1,381.66	
New Mexico.....	3	1,187,244.25	1,187,244.25	
Texas.....	3	141,903.98	141,903.98	
Total.....	14	1,603,333.68	1,603,333.68	
Grand total.....	88	1,670,731.82	1,665,646.02	5,085.80

[B. In connection with livestock loans under sec. 9]

Texas.....	-----	\$15,190.70	\$14,790.70	\$400.00
Total expense advances.....	-----	1,685,922.52	1,680,436.72	5,485.80

EXHIBIT D

*Advances to assist in financing exports under secs. 21, 22, and 24 (par. 2), Jan. 4, 1921, to June 30, 1939, inclusive*¹

TABLE I.—SUMMARY

	Advances approved	Advances made	Repayments	Difference
To exporters.....	\$9,732,608.89	\$7,546,902.24	\$7,546,559.59	\$342.65
To cooperative marketing associations.....	5,262,183.90	2,637,755.52	2,637,755.52	-----
To banking and financial institutions.....	43,379,462.38	28,468,882.06	28,468,882.06	-----
Total.....	² 58,374,255.17	38,653,539.82	38,653,197.17	342.65

TABLE II.—BY COMMODITIES

	Advances approved	Advances made	Repayments	Difference
Grain.....	\$5,777,810.69	\$3,277,810.69	\$3,277,810.69	-----
Tobacco.....	3,246,369.77	2,417,660.32	2,417,317.67	\$342.65
Cotton.....	40,758,508.35	26,561,441.83	26,561,441.83	-----
Canned fruits.....	1,120,000.00	325,060.62	325,060.62	-----
Meat products.....	1,000,000.00	1,000,000.00	1,000,000.00	-----
Condensed milk.....	1,000,000.00	1,000,000.00	1,000,000.00	-----
Textile products.....	250,000.00	250,000.00	250,000.00	-----
Sheet steel.....	180,000.00	180,000.00	180,000.00	-----
Copper.....	145,600.00	145,600.00	145,600.00	-----
Sugar-mill machinery.....	470,966.36	470,966.36	470,966.36	-----
Agricultural machinery.....	500,000.00	-----	-----	-----
Railroad equipment.....	2,925,000.00	2,925,000.00	2,925,000.00	-----
Lumber.....	1,000,000.00	100,000.00	100,000.00	-----
Total.....	58,374,255.17	38,653,539.82	38,653,197.17	342.65

¹ Sec. 21 was added to the original War Finance Corporation Act by the act of Mar. 3, 1919, and secs. 22 and 24 by the Agricultural Credits Act of Aug. 24, 1921.

² Does not include advances aggregating \$27,387,816.10 applied for and approved under sec. 21 for export purposes and subsequently withdrawn by the applicants and resubmitted and approved as advances for agricultural purposes under sec. 24.

EXHIBIT E

War Finance Corporation statement of net earnings from the commencement of operations May 17, 1918, to June 30, 1939

Income:		Corrected figures, June 30, 1939
Interest on loans and advances, including income from securities in the war liquidation account-----	\$52,170,631.39	
Interest on U. S. Government securities-----	30,622,016.81	
Profits on transactions in notes and securities-----	653,932.90	
Miscellaneous income-----	5,278.94	
Total income-----	83,451,860.04	
Operating expenses:		
Administrative expenses:		
Salaries-----	3,573,371.03	
Travel-----	99,503.39	
Printing, stationery, etc-----	116,429.69	
Telephone and telegraph-----	107,668.00	
Rent-----	180,701.85	
Professional services-----	48,983.97	
Salaries and expenses of special field representatives---	128,428.71	
Miscellaneous-----	240,295.46	
Total administrative expenses-----	4,495,382.10	
Expenses of agricultural loan agencies:		
Salaries-----	1,658,990.76	
Travel-----	227,461.85	
Rent-----	92,076.32	
Professional services-----	61,101.23	
Miscellaneous-----	173,654.40	
Total expenses of agricultural loan agencies-----	2,213,284.56	
Expenses of fiscal agents-----		730,201.55
Total operating expenses-----	7,438,868.21	
Income less operating expenses-----		76,012,991.83
Interest charges:		
Interest on 1-year 5-percent gold bonds-----	7,388,210.68	
Commission and expenses on sale of 5-percent gold bonds, less discount of \$51,639.28 on bonds purchased-----	253,039.66	
Miscellaneous interest charges, etc-----	29,654.72	
Total interest charges, etc-----	7,670,905.06	
Balance of earnings prior to charges to profit and loss for losses on loans, etc-----		68,342,086.77
Deduct amounts written off and charged to profit and loss on account of—		
(a) Reimbursable expenses, the collection of which was waived-----	384,386.09	
(b) Principal on loans—uncollectible-----	2,432,109.42	
(c) Accrued interest receivable on loans—uncollectible---	682,618.05	
Total losses on loans, etc-----	3,499,113.56	
Cumulative total of net earnings-----		64,842,973.21

EXHIBIT F
War Finance Corporation—Board of directors—Period of service

Officer	2-year terms ¹		4-year terms		Remarks
	From—	To—	From—	To—	
<i>Chairman (Secretary of the Treasury):²</i>					
W. G. McAdoo.....					From May 17, 1918, to Dec. 15, 1918.
Carter Glass.....					From Dec. 16, 1918, to Feb. 1, 1920.
D. F. Houston.....					From Feb. 2, 1920, to Mar. 3, 1921.
A. W. Mellon.....					From Mar. 4, 1921, to Apr. 4, 1929.
<i>Directors:</i>					
W. P. G. Harding ³	May 17, 1918	Mar. 8, 1920			Resigned Mar. 8, 1920.
Franklin W. M. Cutcheon.....	Mar. 9, 1920	May 16, 1920			Retired May 16, 1920.
Vacancy.....			May 17, 1920	Mar. 13, 1921	Vacancy.
Eugene Meyer, Jr. ⁶			Mar. 14, 1921	Mar. 13, 1925	Nominated Mar. 14, 1921, confirmed Mar. 14, 1921.
Do.....			Mar. 14, 1925	Apr. 4, 1929	Renominated Mar. 11, 1925, confirmed Mar. 12, 1925, retired Apr. 4, 1929.
Clifford M. Leonard.....	May 17, 1918	June 3, 1919			Resigned June 3, 1919.
Vacancy.....	June 4, 1919	Feb. 1, 1920			
George R. Cooksey (unfinished term of Leonard).....	Feb. 2, 1920	May 16, 1920			Vacancy.
George R. Cooksey (reappointed—4-year term).....			May 17, 1920	May 16, 1924	Renominated May 17, 1920, confirmed May 17, 1920.
Do.....			May 17, 1924	May 23, 1928	Renominated May 17, 1924, confirmed May 23, 1924.
Do.....			May 23, 1928	Apr. 4, 1929	Renominated May 23, 1928, confirmed May 23, 1928, retired Apr. 4, 1929.
Eugene Meyer, Jr. ⁴			May 17, 1918	May 31, 1920	Resigned May 31, 1920.
Vacancy.....	June 1, 1920	Mar. 29, 1921	June 1, 1920	May 29, 1921	Vacancy.
Dwight W. Davis (unfinished term of Meyer).....			Mar. 30, 1921	May 16, 1922	Oath of office Mar. 30, 1921, confirmed Apr. 19, 1921.
Dwight W. Davis (reappointed, 4-year term).....			May 17, 1922	Mar. 4, 1923	Resigned Mar. 4, 1923.
Frank W. Mondell (unfinished term of Davis).....			Mar. 5, 1923	July 13, 1925	Resigned July 15, 1925.
Floyd R. Harrison (unfinished term of Davis and Mondell).....			July 16, 1925	May 16, 1926	Term expired.
Floyd R. Harrison (reappointed, 4-year term).....			May 17, 1926	Apr. 4, 1929	Retired Apr. 4, 1929.
Angus McLean ⁵			May 17, 1918	May 16, 1922	Term expired.
Vacancy.....			May 17, 1922	June 11, 1922	Vacancy.
Fred Statek.....			June 12, 1922	June 18, 1926	Nominated June 12, 1922, confirmed June 12, 1922, term expired June 18, 1926.
Vacancy.....			June 19, 1926	Apr. 4, 1929	Vacancy.
Secretary of Agriculture: (Under the Agricultural Credit Act, approved Aug. 24, 1921.)					From Aug. 24, 1921, to Apr. 4, 1929.

¹ Sec. 2 of the act of Apr. 5, 1918, provides that "Of the four directors so appointed, the President of the United States shall designate 2 to serve for 2 years, and 2 for 4 years; and thereafter each director so appointed shall serve for 4 years."

² Sec. 3 of the act of Apr. 5, 1918, provides that " * * * the Secretary of the Treasury shall be chairman of the board * * *."

³ Managing director from May 17, 1918, to Jan. 29, 1919.

⁴ Managing director from Jan. 29, 1919, to May 31, 1920.

⁵ Managing director from June 1, 1920, to Mar. 16, 1921.

⁶ Managing director from Mar. 17, 1921, to Apr. 4, 1929.

NOTE.—Pursuant to the provisions of the act approved Mar. 1, 1929, the act of Apr. 5, 1918, as amended, was further amended so that at the close of Apr. 4, 1929, the liquidation of the assets remaining at that time and the winding up of the affairs of the Corporation thereafter were transferred to the Secretary of the Treasury who for such purpose had all the powers and duties of the board of directors under the act of Apr. 5, 1918, as amended. The Secretary of the Treasury issued an order dated Apr. 5, 1929, and successive orders, assigning to a liquidating committee the exercise and performance, under his general supervision and direction, of all powers and duties vested in him by the act of Mar. 1, 1929. See the following exhibit G, showing period of service of the liquidating committees.

EXHIBIT G

War Finance Corporation, liquidating committee—Period of service

Members	From—	To—	Remarks
Eugene Meyer, Jr. ¹	Apr. 5, 1929	May 10, 1929	Resigned.
George R. Cooksey ²	do.....	Mar. 7, 1932	Do.
F. R. Harrison.....	do.....	Sept. 15, 1931	Do.
A. C. Williams ³	Sept. 16, 1931	Mar. 14, 1933	Do.
J. H. Guill.....	Mar. 8, 1932	May 26, 1933	Do.
Vacancy ⁴	Mar. 15, 1933	do.....	
E. F. Bartelt.....	May 27, 1933	June 30, 1939	Corporation abolished.
D. W. Bell ⁵	do.....	do.....	Do.

¹ Chairman from Apr. 5, 1929, to May 10, 1929.

² Chairman from May 11, 1929, to Mar. 7, 1932.

³ Chairman from Mar. 8, 1932, to Mar. 14, 1933.

⁴ Chairmanship from Mar. 15, 1933, to May 26, 1933, vacant.

⁵ Chairman from May 27, 1933, to June 30, 1939.

EXHIBIT H

ORDER OF THE SECRETARY OF THE TREASURY, APRIL 5, 1929

ORDER

Whereas by the provisions of "An act to amend the War Finance Corporation act approved April 5, 1918, as amended, to provide for the liquidation of the assets and the winding up of the affairs of the War Finance Corporation after April 4, 1929, and for other purposes," approved March 1, 1929, it was provided that "at the close of April 4, 1929, the liquidation of the assets remaining at that time and the winding up of the affairs of the corporation thereafter shall be transferred to the Secretary of the Treasury, who for such purpose shall have all the powers and duties of the board of directors of the corporation under said act, as amended";

Whereas for carrying out the provisions of said act approved March 1, 1929, the Secretary of the Treasury is authorized to "assign to any officer or officers of the United States in the Treasury Department the exercise and performance, under his general supervision and direction, of any such powers and duties";

Whereas the said act approved March 1, 1929, provides that the Secretary of the Treasury "shall from time to time pay into the Treasury as miscellaneous receipts any moneys belonging to the corporation which, in his opinion, are not required for carrying on and completing the liquidation of its remaining assets and the winding up of its affairs, including reasonable provision for the further expenses thereof"; and

Whereas in the opinion of the Secretary of the Treasury the said corporation does not require for carrying on and completing the liquidation of its remaining assets and the winding up of its affairs, including reasonable provision for the further expenses thereof, more than the total sum of \$210,000, of which \$10,000 shall be represented by capital stock of the said corporation and \$200,000 shall be retained as a cash working fund for said purposes:

Now, therefore, I, Andrew W. Mellon, pursuant to the authority conferred by law upon me as Secretary of the Treasury, do hereby assign to Eugene Meyer, G. R. Cooksey, and F. R. Harrison, as officers of the United States in the Treasury Department, the exercise and performance, under the general supervision and direction of the Secretary of the Treasury, of all of the powers and duties vested in the Secretary of the Treasury by said act of March 1, 1929.

For the purposes hereof, the said Eugene Meyer, G. R. Cooksey, and F. R. Harrison are hereby constituted and designated a liquidating committee, of which the said Eugene Meyer is hereby designated chairman. In the absence of the said Eugene Meyer or his inability to act, the said G. R. Cooksey is hereby designated acting chairman, and in the absence or inability to act of both the said Eugene Meyer and G. R. Cooksey, the said F. R. Harrison is hereby designated as acting chairman. Meetings of the said committee may be held at any time pursuant to the call of the Secretary of the Treasury or the chairman or the acting chairman, and the member or members of said committee present shall constitute a quorum for the transaction of business.

The liquidating committee may continue the organization of the War Finance Corporation (other than the board of directors thereof) as it existed prior to the close of April 4, 1929, with the same requirements, duties, and responsibilities as theretofore, and shall from time to time make such changes therein as it may deem advisable; may employ or terminate the employment of any employee, agent, attorney, or other representative of the corporation; may fix or modify their compensation, from time to time; may incur such expenses as it may deem necessary in connection with the liquidation of the corporation; may compromise or settle any indebtedness due the corporation when in its judgment such action is advisable in the interest of the corporation, and may take any and all such other action as it may deem advisable in connection with the liquidation of the corporation's assets and the winding up of its affairs.

The chairman or the acting chairman may execute all legal documents, such as contracts, releases, powers of attorney, assignments, conveyances, or other instruments required in connection with the liquidation of the assets of the corporation and the winding up of its affairs, and such documents may be attested by the secretary and treasurer or the assistant secretary and treasurer of the corporation.

The liquidating committee shall keep a complete and accurate record of all its meetings and shall from time to time submit its minutes to the Secretary of the Treasury.

Immediately following the execution of this order there shall be paid into the Treasury of the United States the amount standing to the credit of the said corporation on the books of the Treasurer of the United States subject to its check, in excess of the sum of \$210,000. Such payment shall be made by check of said corporation drawn on its account with the Treasurer of the United States. Thereupon there shall be canceled and retired all of the outstanding capital stock of said corporation with the exception of \$10,000, par value, which shall be retained for the purposes of said act approved March 1, 1929. The other \$200,000 of cash belonging to the corporation, together with such additional funds as may be received by the corporation in the process of liquidation, shall be subject to disbursement by check drawn thereon by said corporation for the purposes of said act of March 1, 1929, under the authority of the liquidating committee.

In witness whereof I have hereunto set my hand and have caused the seal of the Treasury to be hereunto affixed this 5th day of April 1929.

[SEAL]

A. W. MELLON,
Secretary of the Treasury.

WAR FINANCE CORPORATION LAWS WITH AMENDMENTS

Public Law No. 121 (40 Stat. 506), approved April 5, 1918, Sixty-fifth Congress.
Public Law No. 243 (40 Stat. 1045), approved November 21, 1918, Sixty-fifth Congress.

Public Law No. 328 (40 Stat. 1309), approved March 3, 1919, Sixty-fifth Congress.
Public Law No. 62 (41 Stat. 296), approved October 22, 1919, Sixty-sixth Congress.

Public Law No. 195, extract from (41 Stat. 589), approved May 8, 1920, Sixty-sixth Congress.

Public Law No. 55 (41 Stat. 1084), January 4, 1921, Sixty-sixth Congress.

Public Law No. 60 (42 Stat. 181), approved August 24, 1921, Sixty-seventh Congress.

Public Law No. 238 (42 Stat. 634), approved June 10, 1922, Sixty-seventh Congress.

Public Law No. 503, extract from (42 Stat. 1480), approved March 4, 1923, Sixty-seventh Congress.

Public Law No. 31 (43 Stat. 14), approved February 20, 1924, Sixty-eighth Congress.

Public Law No. 237 (45 Stat. 405), approved April 4, 1928, Seventieth Congress.

Public Law No. 611, extract from (45 Stat. 995), approved May 29, 1928, Seventieth Congress.

Public Law No. 895 (45 Stat. 1442), approved March 1, 1929, Seventieth Congress.

[PUBLIC—No. 121—65TH CONGRESS]

[S. 3714]

An Act To provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and to supervise the issuance of securities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—WAR FINANCE CORPORATION

That the Secretary of the Treasury and four additional persons (who shall be the directors first appointed as hereinafter provided), are hereby created a body corporate and politic in deed and in law by the name, style, and title of the "War Finance Corporation" (herein called the Corporation), and shall have succession for a period of ten years: *Provided*, That in no event shall the Corporation exercise any of the powers conferred by this Act, except such as are incidental to the liquidation of its assets and the winding up of its affairs, after six months after the termination of the war, the date of such termination to be fixed by proclamation of the President of the United States.

SEC. 2. That the capital stock of the Corporation shall be \$500,000,000, all of which shall be subscribed by the United States of America, and such subscription shall be subject to call upon the vote of three-fifths of the board of directors of the Corporation, with the approval of the Secretary of the Treasury, at such time or times as may be deemed advisable; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$500,000,000, or so much thereof as may be necessary for the purpose of making payment upon such subscription when and as called. Receipts for payments by the United States of America for or on account of such stock shall be issued by the Corporation to the Secretary of the Treasury, and shall be evidence of stock ownership.

SEC. 3. That the management of the Corporation shall be vested in a board of directors, consisting of the Secretary of the Treasury, who shall be chairman of the board, and four other persons, to be appointed by the President of the United States, by and with the advice and consent of the Senate. No director, officer, attorney, agent, or employee of the Corporation shall in any manner, directly or indirectly, participate in the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association, in which he is directly or indirectly interested; and each director shall devote his time, not otherwise required by the business of the United States, principally to the business of the Corporation. Before entering upon his duties, each of the four directors so appointed, and each officer, shall take an oath faithfully to discharge the duties of his office. Nothing contained in this or any other Act shall be construed to prevent the appointment as a director of the Corporation of any officer or employee under the United States or of a director of a Federal reserve bank.

Of the four directors so appointed, the President of the United States shall designate two to serve for two years, and two for four years; and thereafter each director so appointed shall serve for four years. Whenever a vacancy shall occur among the directors, so appointed, the person appointed director to fill any such vacancy shall hold office for the unexpired term of the member whose place he is selected to fill. Any director shall be subject to removal by the President of the United States. Three members of the board of directors shall constitute a quorum for the transaction of business.

SEC. 4. That the four directors of the Corporation appointed as hereinbefore provided shall receive annual salaries, payable monthly, of \$12,000. Any director receiving from the United States any salary or compensation for services shall not receive as salary from the Corporation any amount which, together with any salary or compensation received from the United States, would make the total amount paid to him by the United States and by the Corporation exceed \$12,000.

SEC. 5. That the principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the board of directors.

SEC. 6. That the Corporation shall be empowered and authorized to adopt, alter, and use a corporate seal; to make contracts; to purchase or lease and hold or dispose of such real estate as may be necessary for the prosecution of its business; to sue and be sued; to complain and defend in any court of competent jurisdiction, State or Federal; to appoint, by its board of directors, and fix the compensation of such officers, employees, attorneys, and agents as are necessary for the transaction of the business of the Corporation, to define their duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and to prescribe, amend, and repeal, by its board of directors, subject to the approval of the Secretary of the Treasury, by-laws regulating the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed, and prescribing the powers and duties of its officers and agents.

SEC. 7. That the Corporation shall be empowered and authorized to make advances, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding five years from the respective dates of such advances:

(1) To any bank, banker, or trust company, in the United States, which shall have made after April sixth, nineteen hundred and seventeen, and which shall have outstanding, any loan or loans to any person, firm, corporation, or association, conducting an established and going business in the United States, whose operations shall be necessary or contributory to the prosecution of the war, and evidenced by a note or notes, but no such advance shall exceed seventy-five per centum of the face value of such loan or loans; and

(2) To any bank, banker, or trust company, in the United States, which shall have rendered financial assistance, directly or indirectly, to any such person, firm, corporation, or association by the purchase after April sixth, nineteen hundred and seventeen, of its bonds or other obligations, but no such advance shall exceed seventy-five per centum of the value of such bonds or other obligations at the time of such advance, as estimated and determined by the board of directors of the Corporation.

All advances shall be made upon the promissory note or notes of such bank, banker, or trust company, secured by the notes, bonds, or other obligations, which are the basis of any such advance by the Corporation, together with all the securities, if any, which such bank, banker, or trust company may hold as collateral for such notes, bonds, or other obligations.

The Corporation shall, however, have power to make advances (a) up to one hundred per centum of the face value of any such loan made by any such bank, banker, or trust company to any such person, firm, corporation, or association, and (b) up to one hundred per centum of the value at the time of any such advance (as estimated and determined by the board of directors of the Corporation) of such bonds or other obligations by the purchase of which financial assistance shall have been rendered to such persons, firm, corporation, or association: *Provided*, That every such advance shall be secured in the manner described in the preceding part of this section, and in addition thereto by collateral security, to be furnished by the bank, banker, or trust company, of such character as shall be prescribed by the board of directors, of a value, at the time of such advance (as estimated and determined by the board of directors of the Corporation), equal to at least thirty-three per centum of the amount advanced by the Corporation. The Corporation shall retain power to require additional security at any time.

SEC. 8. That the Corporation shall be empowered and authorized to make advances from time to time, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding one year, to any savings bank, banking institution or trust company, in the United States, which receives savings deposits, or to any building and loan association in the United States, on the promissory note or notes of the borrowing institution, whenever the Corporation shall deem such advances to be necessary or contributory to the prosecution of the war or important in the public interest: *Provided*, That such note or notes shall be secured by the pledge of securities of such character as shall be prescribed by the board of directors of the Corporation, the value of which, at the time of such advance (as estimated and determined by the board of directors of the Corporation) shall be equal in amount to at least one hundred and thirty-three per centum of the amount of such advance. The rate of interest charged on any such advance shall not be less than one per centum per annum in excess of the rate of discount for ninety-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrowing institution is located, but such rate of interest shall in no case be greater than the average rate

receivable by the borrowing institution on its loans and investments made during the six months prior to the date of the advance, except that where the average rate so receivable by the borrowing institution is less than such rate of discount for ninety-day commercial paper the rate of interest on such advance shall be equal to such rate of discount. The Corporation shall retain power to require additional security at any time.

SEC. 9. That the Corporation shall be empowered and authorized, in exceptional cases, to make advances directly to any person, firm, corporation, or association, conducting an established and going business in the United States, whose operations shall be necessary or contributory to the prosecution of the war (but only for the purpose of conducting such business in the United States and only when in the opinion of the board of directors of the Corporation such person, firm, corporation, or association is unable to obtain funds upon reasonable terms through banking channels or from the general public), for periods not exceeding five years from the respective dates of such advances, upon such terms, and subject to such rules and regulations as may be prescribed by the board of directors of the Corporation. In no case shall the aggregate amount of the advances made under this section exceed at any one time an amount equal to twelve and one-half per centum of the sum of (1) the authorized capital stock of the Corporation plus (2) the aggregate amount of bonds of the Corporation authorized to be outstanding at any one time when the capital stock is fully paid in. Every such advance shall be secured by adequate security of such character as shall be prescribed by the board of directors of a value at the time of such advance (as estimated and determined by the board of directors), equal to (except in case of an advance made to a railroad in the possession and control of the President, for the purpose of making additions, betterments, or road extensions to such railroad) at least one hundred and twenty-five per centum of the amount advanced by the Corporation. The Corporation shall retain power to require additional security at any time. The rate of interest charged on any such advance shall not be less than one per centum per annum in excess of the rate of discount for ninety-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrower is located.

SEC. 10. That in no case shall the aggregate amount of the advances made under this title to any one person, firm, corporation, or association exceed at any one time an amount equal to ten per centum of the authorized capital stock of the Corporation, but this section shall not apply in the case of an advance made to a railroad in the possession and control of the President, for the purpose of making additions, betterments, or road extensions to such railroad.

SEC. 11. That the Corporation shall be empowered and authorized to subscribe for, acquire, and own, buy, sell, and deal in bonds and obligations of the United States issued or converted after September twenty-fourth, nineteen hundred and seventeen, to such extent as the board of directors, with the approval of the Secretary of the Treasury, may from time to time determine.

SEC. 12. That the Corporation shall be empowered and authorized to issue and have outstanding at any one time its bonds in an amount aggregating not more than six times its paid-in capital, such bonds to mature not less than one year nor more than five years from the respective dates of issue, and to bear such rate or rates of interest, and may be redeemable before maturity at the option of the Corporation, as may be determined by the board of directors, but such rate or rates of interest shall be subject to the approval of the Secretary of the Treasury. Such bonds shall have a first and paramount floating charge on all the assets of the Corporation, and the Corporation shall not at any time mortgage or pledge any of its assets. Such bonds may be issued at not less than par in payment of any advances authorized by this title, or may be offered for sale publicly or to any individual, firm, corporation, or association, at such price or prices as the board of directors, with the approval of the Secretary of the Treasury may determine.

Upon such terms not inconsistent herewith as may be determined from time to time by the board of directors, with the approval of the Secretary of the Treasury, at or before the issue thereof, any of such bonds may be issued payable in any foreign money or foreign moneys, or issued payable at the option of the respective holders thereof either in dollars or in any foreign money or foreign moneys at such fixed rate of exchange as may be stated in any such bonds. For the purpose of determining the amount of bonds issued payable in any foreign money or foreign moneys the dollar equivalent shall be determined by the par of exchange at the date of issue thereof, as estimated by the Director of the Mint and proclaimed by the Secretary of the Treasury in pursuance of the provisions of section twenty-five of the Act entitled "An Act to reduce taxation, to provide revenue for the

Government, and for other purposes," approved August twenty-seventh, eighteen hundred and ninety-four.

SEC. 13. That the Federal reserve banks shall be authorized, subject to the maturity limitations of the Federal reserve Act and to regulations of the Federal Reserve Board, to discount the direct obligations of member banks secured by such bonds of the Corporation and to rediscount eligible paper secured by such bonds and indorsed by a member bank. No discount or rediscount under this section shall be granted at a less interest charge than one per centum per annum above the prevailing rates for eligible commercial paper of corresponding maturity.

Any Federal reserve bank may, with the approval of the Federal Reserve Board, use any obligation or paper so acquired for any purpose for which it is authorized to use obligations or paper secured by bonds or notes of the United States not bearing the circulation privilege: *Provided, however,* That whenever Federal reserve notes are issued against the security of such obligations or paper the Federal Reserve Board may make a special interest charge on such notes, which, in the discretion of the Federal Reserve Board, need not be applicable to other Federal reserve notes which may from time to time be issued and outstanding. All provisions of law, not inconsistent herewith, in respect to the acquisition by any Federal reserve bank of obligations or paper secured by such bonds or notes of the United States, and in respect to Federal reserve notes issued against the security of such obligations or paper, shall extend, insofar as applicable, to the acquisition of obligations or paper secured by the bonds of the Corporation and to the Federal reserve notes issued against the security of such obligations or paper.

SEC. 14. That the Corporation shall not exercise any of the powers granted by this title or perform any business except such as is incidental and necessarily preliminary to its organization until it has been authorized by the President of the United States to commence business under the provisions of this title.

SEC. 15. That all net earnings of the Corporation not required for its operations shall be accumulated as a reserve fund until such time as the Corporation liquidates under the terms of this title. Such reserve fund shall, upon the direction of the board of directors, with the approval of the Secretary of the Treasury, be invested in bonds and obligations of the United States, issued or converted after September twenty-fourth, nineteen hundred and seventeen, or upon like direction and approval may be deposited in member banks of the Federal Reserve System, or in any of the Federal reserve banks, or be used from time to time, as well as any other funds of the Corporation, in the purchase or redemption of any bonds issued by the Corporation. The Federal reserve banks are hereby authorized to act as depositaries for and as fiscal agents of the Corporation in the general performance of the powers conferred by this title. Beginning six months after the termination of the war, the date of such termination to be fixed by a proclamation of the President of the United States, the directors of the Corporation shall proceed to liquidate its assets and to wind up its affairs, but the directors of the Corporation, in their discretion, may, from time to time, prior to such date, sell and dispose of any securities or other property acquired by the Corporation. Any balance remaining after the payment of all its debts shall be paid into the Treasury of the United States as miscellaneous receipts, and thereupon the Corporation shall be dissolved.

SEC. 16. That any and all bonds issued by the Corporation shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, corporations, or associations. The interest on an amount of such bonds the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, corporation, or association, shall be exempt from the taxes referred to in clause (b). The Corporation, including its franchise and the capital and reserve or surplus thereof, and the income derived therefrom, shall be exempt from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except that any real property of the Corporation shall be subject to State, county, or municipal taxes to the same extent, according to its value, as other real property is taxed.

SEC. 17. That the United States shall not be liable for the payment of any bond or other obligation or the interest thereon issued or incurred by the Corporation, nor shall it incur any liability in respect of any act or omission of the Corporation.

SEC. 18. That whoever (1) makes any statement, knowing it to be false, for the purpose of obtaining for himself or for any other person, firm, corporation, or association any advance under this title, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

Whoever willfully overvalues any security by which any such advance is secured, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

Whoever (1) falsely makes, forges, or counterfeits any bond, coupon, or paper in imitation of or purporting to be in imitation of a bond or coupon issued by the Corporation; or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by the Corporation, knowing the same to be falsely made, forged, or counterfeited; or (3) falsely alters any such bond, coupon, or paper; or (4) passes, utters, or publishes as true any falsely altered or spurious bond, coupon, or paper issued or purporting to have been issued by the Corporation, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, or willfully misapplies any moneys, funds, or credits thereof, or (2) with intent to defraud the Corporation or any other company, body politic or corporate, or any individual, or to deceive any officer of the Corporation, (a) makes any false entry in any book, report, or statement of the Corporation, or (b) without authority from the directors draws any order or assigns any note, bond, draft, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into custody of the United States marshal having jurisdiction any person committing any of the offenses punishable under this section.

SEC. 19. That the Corporation shall file quarterly reports with the Secretary of the Senate and with the Clerk of the House of Representatives, stating as of the first day of each month of the quarter just ended (1) the total amount of capital paid in, (2) the total amount of bonds issued, (3) the total amount of bonds outstanding, (4) the total amount of advances made under each of sections seven, eight, and nine; (5) a list of the classes and amount of securities taken under each of such sections, (6) the total amount of advances outstanding under each of sections seven, eight, and nine, and (7) such other information as may be hereafter required by either House of Congress.

The Corporation shall make a report to Congress on the first day of each regular session, including a detailed statement of receipts and expenditures.

SEC. 20. Section fifty-two hundred and two of the Revised Statutes of the United States is hereby amended so as to read as follows:

"SEC. 5202. No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

"First. Notes of circulation.

"Second. Moneys deposited with or collected by the association.

"Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

"Fourth. Liabilities to the stockholders of the association or dividends and reserve profits.

"Fifth. Liabilities incurred under the provisions of the Federal Reserve Act.

"Sixth. Liabilities incurred under the provisions of the War Finance Corporation Act."

TITLE II—CAPITAL ISSUES COMMITTEE

SEC. 200. That there is hereby created a committee to be known as the "Capital Issues Committee," hereinafter called the Committee, and to be composed of seven members to be appointed by the President of the United States, by and with the advice and consent of the Senate. At least three of the members shall be members of the Federal Reserve Board.

No member, officer, attorney, agent, or employee of the Committee shall in any manner, directly or indirectly, participate in the determination of any question affecting his personal interests, or the interest of any corporation, partnership, or association in which he is directly or indirectly interested. Before

entering upon his duties, each member and officer shall take an oath faithfully to discharge the duties of his office. Nothing contained in this or any other Act shall be construed to prevent the appointment as a member of the Committee, of any officer or employee under the United States or of a director of a Federal reserve bank.

The terms during which the several members of the Committee shall respectively hold office shall be determined by the President of the United States, and the compensation of the several members of the Committee who are not members of the Federal Reserve Board shall be \$7,500 per annum, payable monthly, but if any such member receives any other compensation from any office or employment under the United States the amount so received shall be deducted from such salary, and if such other compensation is \$7,500 or more, such member shall receive no salary as a member of the Committee. Any member shall be subject to removal by the President of the United States. The President shall designate one of the members as chairman, but any subsequent vacancy in the chairmanship shall be filled by the Committee. Four members of the Committee shall constitute a quorum for the transaction of business.

SEC. 201. That the Committee may employ and fix the compensation of such officers, attorneys, agents, and other employees as may be deemed necessary to conduct its business, who shall be appointed without regard to the provisions of the Act entitled "An Act to regulate and improve the civil service of the United States," approved January sixteenth, eighteen hundred and eighty-three (volume twenty-two, United States Statutes at Large, page four hundred and three), and amendments thereto or any rules or regulations made in pursuance thereof. No such officer, attorney, agent, or employee shall receive more compensation than persons performing services of like or similar character under the Federal Reserve Board.

SEC. 202. That all the expenses of the Committee, including all necessary expenses for transportation incurred by the members or by its officers, attorneys, agents, or employees under its orders in making an investigation or upon official business in any other places than at their respective headquarters, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman.

The Committee may rent suitable offices for its use, and purchase such furniture, equipment, and supplies as may be necessary, but shall not expend more than \$10,000 annually for offices in the District of Columbia.

The principal office of the Committee shall be in the District of Columbia, but it may meet and exercise all its powers at any other place. The Committee may, by one or more of its members, or by such agents as it may designate, prosecute any inquiry necessary to its duties in any part of the United States.

SEC. 203. That the Committee may, under rules and regulations to be prescribed by it from time to time, investigate, pass upon, and determine whether it is compatible with the national interest that there should be sold or offered for sale or for subscription any issue, or any part of any issue, of securities hereafter issued by any person, firm, corporation, or association, the total or aggregate par or face value of which issue and any other securities issued by the same person, firm, corporation, or association since the passage of this Act is in excess of \$100,000. Shares of stock of any corporation or association without nominal or par value shall for the purpose of this section be deemed to be of the par value of \$100 each. Any securities which upon the date of the passage of this Act are in the possession or control of the corporation, association, or obligor issuing the same shall be deemed to have been issued after the passage of this Act within the meaning hereof.

Nothing in this title shall be construed to authorize such Committee to pass upon (1) any borrowing by any person, firm, corporation, or association in the ordinary course of business as distinguished from borrowing for capital purposes, (2) the renewing or refunding of indebtedness existing at the time of the passage of this Act, (3) the resale of any securities the sale or offering which the Committee has determined to be compatible with the national interest, (4) any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States, or (5) any bonds issued by the War Finance Corporation.

Nothing done or omitted by the Committee hereunder shall be construed as carrying the approval of the Committee or of the United States of the legality, validity, worth, or security of any securities.

SEC. 204. That there is hereby appropriated out of any money in the Treasury not otherwise appropriated, for the remainder of the fiscal year ending June

thirtieth, nineteen hundred and eighteen, and the fiscal year ending June thirtieth, nineteen hundred and nineteen, the sum of \$200,000 for the purpose of defraying the expenses of the establishment and maintenance of the Committee, including the payment of the salaries and rents herein authorized.

SEC. 205. That the committee shall make a report to Congress on the first day of each regular session, including a detailed statement of receipts and expenditures, and also including the names of all officers and employees and the salary paid to each.

SEC. 206. That this title shall continue in effect until, but not after, the expiration of six months after the termination of the war, the date of such termination to be determined by a proclamation of the President of the United States, but the President may at any time by proclamation declare that this title is no longer necessary, and thereupon it shall cease to be in effect.

TITLE III—MISCELLANEOUS

SEC. 300. That whoever willfully violates any of the provisions of this Act, except where a different penalty is provided in this Act, shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than \$10,000 or imprisoned for not more than one year, or both; and however knowingly participates in any such violation, except where a different penalty is provided in this Act, shall be punished by a like fine or imprisonment, or both.

SEC. 301. That no stamp tax shall be required or imposed upon a promissory note secured by the pledge of bonds or obligations of the United States issued after April twenty-fourth, nineteen hundred and seventeen, or secured by the pledge of a promissory note which itself is secured by the pledge of such bonds or obligations: *Provided*, That in either case the par value of such bonds or obligations shall equal the amount of such note.

SEC. 302. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, or, in case any court of competent jurisdiction shall adjudge to be invalid any provisions hereof in respect of any class or classes of securities, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operation to the clause, sentence, paragraph, part, or subject matter of this Act directly involved in the controversy in which such judgment shall have been rendered.

SEC. 303. That the term "securities," as used in this Act, includes stocks, shares of stock, bonds, debentures, notes, certificates of indebtedness, and other obligations.

SEC. 304. That the right to amend, alter, or repeal this Act is hereby expressly reserved.

SEC. 305. That the short title of this Act shall be the "War Finance Corporation Act."

SEC. 306. That all provisions of any Act or Acts inconsistent with the provisions of this Act are hereby repealed.

Approved April 5, 1918.

[PUBLIC—NO. 243—65TH CONGRESS]

[H. R. 11945]

AN ACT To enable the Secretary of Agriculture to carry out, during the fiscal year ending June thirtieth, nineteen hundred and nineteen, the purposes of the Act entitled "An Act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products," and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to enable the Secretary of Agriculture to carry out, during the fiscal year ending June thirtieth, nineteen hundred and nineteen, the purposes of the Act entitled "An Act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products," approved August tenth, nineteen hundred and seventeen (Fortieth Statutes, page two hundred and seventy-three), there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the following sums for the purposes indicated: *Provided*, That no part of the money hereby appropriated shall be used in paying salary or expenses of any man who on account of employment in which he is or may be engaged under the provisions of this Act has been or shall hereafter be certified by the Secretary

of Agriculture, or by any other official of the Department of Agriculture, for deferred classification, or by action of any other Federal official or authority has been or may hereafter be placed in a deferred class under Act numbered twelve, Sixty-fifth Congress, entitled "An Act to authorize the President to increase temporarily the Military Establishment of the United States," approved May eighteenth, nineteen hundred and seventeen, or under any Act amendatory thereof that has been or shall hereafter be enacted:

First. For the prevention, control, and eradication of the diseases and pests of live stock; the enlargement of live-stock production, and the conservation and utilization of meat, poultry, dairy, and other animal products; for the following stated purposes and in amounts as follows: Eradication of cattle ticks, \$61,610; eradication of hog cholera, \$202,965; eradication of abortion, influenza, strangles, and so forth, \$175,000; production of beef cattle, \$105,000; livestock production in the Great Plains region, \$100,000; production of pork, \$150,000; production of poultry, \$129,600; production of sheep, \$60,000; making cottage cheese on the farm, \$52,950; utilization of creamery byproducts, \$21,850; in all, \$1,058,975.

Second. For procuring, storing, and furnishing seeds, as authorized by section three of the Act, the appropriations for said purposes of \$2,500,000 in section eight of the Act and \$4,000,000 under the heading "Department of Agriculture," in the Act approved March twenty-eighth, nineteen hundred and eighteen, entitled "An Act making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June thirtieth, nineteen hundred and eighteen, and prior fiscal years, on account of war expenses, and for other purposes," shall be available until the date when said Act of August tenth, nineteen hundred and seventeen, shall cease to be in effect, and any moneys heretofore or hereafter received by the United States for furnishing such seeds may be used as a revolving fund until said date.

Third. For the prevention, control, and eradication of insects and plant diseases injurious to agriculture, and the conservation and utilization of plant products; for the following-stated purposes and in amounts as follows: Cereal-smut eradication, \$110,000; peanut conservation and utilization, \$15,000; control of cotton, truck, and forage-crop diseases, \$117,550; farm storage of sweetpotatoes, \$30,000; location of Irish-potato seed stock, \$30,000; plant-disease survey, \$23,000; castor-bean production and utilization, \$20,000; maintenance of field-bean seed supply, \$10,000; field supervision of war-garden work, \$7,500; production of cereals and grain sorghums, \$53,250; sugar-beet nematode work, \$10,000; pathological inspection of fruits during processes of marketing, \$18,000; control of a new sugarcane disease, \$20,000; production of rice, \$5,000; control of cereal and forage insects, \$55,000; control of stored-product insects, \$22,000; control of vegetable and truck-crop insects, \$35,000; control of sweetpotato weevil, \$30,000; control of deciduous-fruit insects, \$45,000; control of citrus-fruit insects, \$10,000; control of insects injurious to livestock, \$20,000; control of rice insects, \$3,000; control of sugarcane insects, \$9,000; general supervision of emergency insect-control work, \$3,000; prevention of plant-dust explosions and fires, \$75,000; fruit and vegetable utilization, \$35,000; in all, \$811,300.

Fourth. For increasing food production and eliminating waste and promoting conservation of food, including eatable nuts, by educational and demonstrational methods, through county, district, and urban agents and others; for the following-stated purposes and in amounts, as follows: General administration of extension work, \$35,000; home-economics work, \$25,000; extension work in the Northern and Western States, \$134,200; county-agent work, \$1,893,000; boys' and girls' club work, \$382,900; home-demonstration work, \$1,327,400; extension work in the Southern States, \$90,000; county-agent work, \$1,333,815; boys' club work, \$75,300; home-demonstration work, \$803,385; in all, \$6,100,000.

That after June thirtieth, nineteen hundred and nineteen, until the conclusion of the present war and thereafter until the termination of demobilization, the date of which shall be determined and proclaimed by the President of the United States, for the purpose of conserving the manpower of the Nation, and to increase efficiency in the production of arms, munitions, ships, food, and clothing for the Army and Navy, it shall be unlawful to sell for beverage purposes any distilled spirits, and during said time no distilled spirits held in bond shall be removed therefrom for beverage purposes except for export. After May first, nineteen hundred and nineteen, until the conclusion of the present war and thereafter until the termination of demobilization, the date of which shall be determined and proclaimed by the President of the United States, no grains, cereals, fruit, or other food product shall be used in the manufacture or production of beer, wine, or other intoxicating malt or vinous liquor for beverage purposes. After June thirtieth,

nineteen hundred and nineteen, until the conclusion of the present war and thereafter until the termination of demobilization, the date of which shall be determined and proclaimed by the President of the United States, no beer, wine, or other intoxicating malt or vinous liquor shall be sold for beverage purposes except for export. The Commissioner of Internal Revenue is hereby authorized and directed to prescribe rules and regulations, subject to the approval of the Secretary of the Treasury, in regard to the manufacture and sale of distilled spirits and removal of distilled spirits held in bond after June thirtieth, nineteen hundred and nineteen, until this Act shall cease to operate, for other than beverage purposes; also in regard to the manufacture, sale, and distribution of wine for sacramental, medicinal, or other than beverage uses. After the approval of this Act no distilled, malt, vinous, or other intoxicating liquors shall be imported into the United States during the continuance of the present war and period of demobilization: *Provided*, That this provision against importation shall not apply to shipments en route to the United States at the time of the passage of this Act.

Any person who violates any of the foregoing provisions shall be punished by imprisonment not exceeding one year, or by fine not exceeding \$1,000, or by both such imprisonment and fine: *Provided*, That the President of the United States be, and hereby is, authorized and empowered, at any time after the passage of this Act, to establish zones of such size as he may deem advisable about coal mines, munition factories, shipbuilding plants, and such other plants for war material as may seem to him to require such action whenever in his opinion the creation of such zones is necessary to, or advisable in, the proper prosecution of the war, and that he is hereby authorized and empowered to prohibit the sale, manufacture, or distribution of intoxicating liquors in such zones, and that any violation of the President's regulations in this regard shall be punished by imprisonment for not more than one year, or by fine of not more than \$1,000, or by both such fine and imprisonment: *Provided further*, That nothing in this Act shall be construed to interfere with the power conferred upon the President by section fifteen of the food-control Act, approved August tenth, nineteen hundred and seventeen (Public, Numbered Forty, Sixty-fifth Congress).

Fifth. For gathering authoritative information in connection with the demand for, and the production, supply, distribution, and utilization of food, and otherwise carrying out the purposes of section two of the Act; extending and enlarging the market news service; and preventing waste of food in storage, in transit, or held for sale; advice concerning the market movement or distribution of perishable products; for enabling the Secretary of Agriculture to inspect and certify perishable agricultural products, as provided in the Agricultural appropriation Act for the fiscal year nineteen hundred and nineteen; for the following stated purposes and in amounts as follows: Market news service on fruits and vegetables, \$500,000; market news service on livestock and meats, \$300,000; market news service on butter, cheese, eggs, and poultry, \$164,000; market news service on grain, hay, feeds, and seeds, \$150,000; food and fertilizer surveys of the United States, \$300,000; conservation of food products in transportation and storage, \$229,937; market inspection of perishable foods, \$51,000; city market service \$66,131; direct market activities, \$85,100; special market activities, \$109,440 in all, \$1,955,608.

Sixth. For miscellaneous items, including the salaries of assistant secretaries appointed under the Act approved August tenth, nineteen hundred and seventeen; special work in crop estimating; aiding agencies in the various States in supplying farm labor; enlarging the informational work of the Department of Agriculture; and printing and distributing emergency leaflets, posters, and other publications requiring quick issue or large editions; for the following stated purposes and in amounts as follows: Office of the Secretary, \$76,420; publication and informational work, \$235,000; agricultural exhibits, \$43,020; rent in the District of Columbia, \$25,000; assistance in supplying farm labor, \$162,000; poultry and egg demonstrations, \$40,000; sirup demonstrations, \$7,000; preparation of sweet sirups including grape sirups, \$5,000; handling, transportation, and storage of fish, \$20,000; waterproofing leather for Government and farm use, \$3,000; serviceability tests of leather and leather substitutes, \$6,000; utilization of wool-scouring wastes, \$9,000; extension work in beekeeping, \$15,000; destruction of prairie dogs, gophers, and ground squirrels, \$100,000; destruction of predatory animals, \$125,000; special work in crop estimating, \$234,540; in all, \$1,105,980: *Provided*, That the Secretary of Agriculture is authorized, for the official purposes of the Department of Agriculture, and within the limits of the appropriations for rent made by this or any other Act making appropriations for the Department of Agriculture, to requisition the use of, and take possession of, any building or any

space in any building, and the appurtenances thereof which are now or heretofore have been used for such purposes, in the District of Columbia, other than a dwelling house occupied as such or a building occupied by any other branch of the United States Government; and he shall ascertain and pay just compensation for such use. If the amount of compensation so ascertained be not satisfactory to the person entitled to receive the same, such person shall be paid seventy-five per centum of such amount, and shall be entitled to sue the United States to recover such further sum as, added to said seventy-five per centum, will make up such amount as will be just compensation for such use in the manner provided by section twenty-four, paragraph twenty, and section one hundred and forty-five of the Judicial Code.

SEC. 2. That under such rules, regulations, and bonds as the Secretary of the Treasury may prescribe, distilled spirits or alcohol produced prior to October third, nineteen hundred and seventeen, from products the growth of the island of Porto Rico may be admitted from said island into the United States for industrial purposes in the arts and sciences. Such alcohol or distilled spirits shall not be used for beverage purposes nor in the production of any article used as a beverage.

Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined not more than \$1,000 or imprisoned not more than two years. He shall, in addition, be liable to double the tax evaded, together with the tax, to be collected by assessment or on any bond given.

SEC. 3. That the Act entitled "An Act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products," approved August tenth, nineteen hundred and seventeen, be, and the same hereby is, amended so as to strike out, in section nine, after the words "Caribbean Sea," the following: "into those parts of the United States below the southern cattle quarantine line at such ports of entry as may be designated by said joint regulations and also," so that the section as amended will read as follows:

"SEC. 9. That the Act of August thirtieth, eighteen hundred and ninety, entitled 'An Act providing for an inspection of meats for exportation, prohibiting the importation of adulterated articles of food or drink, and authorizing the President to make proclamation in certain cases, and for other purposes' (Twenty-sixth Statutes at Large, page four hundred and fourteen), is hereby amended so as to authorize the Secretary of Agriculture, within his discretion and under such joint regulations as may be prescribed by the Secretary of Agriculture and the Secretary of the Treasury, to permit the admission into the United States for immediate slaughter at ports of entry to be designated in said joint regulations of tick-infested cattle which are otherwise free from disease and which have not been exposed to the infection of any other disease within sixty days next before their exportation from Mexico, South and Central America, the islands of the Gulf of Mexico and the Caribbean Sea, subject to the provisions of sections seven, eight, nine, and ten of said Act of August thirtieth, eighteen hundred and ninety: *Provided*, That the importation of tick-infested cattle from any country referred to in this section in which foot-and-mouth disease exists, which existence shall be determined by the Secretary of Agriculture, is prohibited: *Provided further*, That all cattle imported under the provisions of this section shall be slaughtered in accordance with the provisions of the Act of June thirtieth, nineteen hundred and six (Thirty-fourth Statutes at Large, page six hundred and seventy-four), commonly called the meat-inspection amendment, and the rules and regulations promulgated thereunder by the Secretary of Agriculture, and that their hides shall be disposed of under rules and regulations to be prescribed by the Secretary of Agriculture: *And provided further*, That the slaughter of all such cattle imported into the Territory of Porto Rico may be deferred for such time and under such restrictions as the Secretary of Agriculture may by regulation prescribe, and that the Secretary of Agriculture, within his discretion and under such joint regulations as may be prescribed by the Secretary of Agriculture and the Secretary of the Treasury, may permit the exportation of tick-infested cattle from the Virgin Islands to Porto Rico when said cattle are otherwise free from disease."

SEC. 4. The President is hereby authorized to extend invitations to other nations to appoint delegates or representatives to the Farmers' National Congress to be held at Jacksonville, Florida, in connection with the Pan-American International Farm and Live-Stock Exposition: *Provided*, That no appropriation shall be granted or used for the expenses of delegates.

SEC. 5. That the proviso to paragraph two, section seven, of the Act approved April fifth, nineteen hundred and eighteen, entitled "An Act to provide further

for the national security and defense, and for the purpose of assisting in the prosecution of the war to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and to supervise the issuance of securities, and for other purposes," be, and is hereby, amended to read as follows:

"*Provided*, That every such advance shall be secured in the manner described in the preceding part of this section and (except in the case of an advance secured by a loan for agricultural purposes or a loan based on livestock) in addition thereto by collateral security, to be furnished by the bank, banker, or trust company of such character as shall be prescribed by the board of directors of a value at the time of such advance (as estimated and determined by the board of directors of the Corporation) equal to at least thirty-three per centum of the amount advanced by the Corporation. The Corporation shall retain power to require additional security at any time.

SEC. 6. No person employed under the provisions of this Act shall receive any greater salary or compensation than that paid to other persons employed in the Agricultural Department for similar or like services.

Approved, November 21, 1918.

[PUBLIC—No. 328—65TH CONGRESS]

[H. R. 16136]

An Act To amend the Liberty Bond Acts and the War Finance Corporation Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Second Liberty Bond Act is hereby amended by adding thereto a new section to read as follows:

"SEC. 18. (a) That in addition to the bonds and certificates of indebtedness and war-savings certificates authorized by this Act and amendments thereto, the Secretary of the Treasury, with the approval of the President, is authorized to borrow from time to time on the credit of the United States for the purposes of this Act, and to meet public expenditures authorized by law, not exceeding in the aggregate \$7,000,000,000, and to issue therefor notes of the United States at not less than par in such form or forms and denomination or denominations, containing such terms and conditions, and at such rate or rates of interest, as the Secretary of the Treasury may prescribe, and each series of notes so issued shall be payable at such time not less than one year nor more than five years from the date of its issue as he may prescribe, and may be redeemable before maturity (at the option of the United States) in whole or in part, upon not more than one year's nor less than four months' notice, and under such rules and regulations and during such period as he may prescribe.

"(b) The notes herein authorized may be issued in any one or more of the following series as the Secretary of the Treasury may prescribe in connection with the issue thereof:

"(1) Exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority;

"(2) Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations;

"(3) Exempt, both as to principal and interest, as provided in paragraph (2); and with an additional exemption from the taxes referred to in clause (b) of such paragraph, of the interest on an amount of such notes the principal of which does not exceed \$30,000, owned by any individual, partnership, association, or corporation; or

"(4) Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) all income, excess-profits, and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations.

"(c) If the notes authorized under this section are offered in more than one series bearing the same date of issue, the holder of notes of any such series shall (under such rules and regulations as may be prescribed by the Secretary of the Treasury) have the option of having such notes held by him converted at par into notes of any other such series offered bearing the same date of issue.

"(d) None of the notes authorized by this section shall bear the circulation privilege. The principal and interest thereof shall be payable in United States gold coin of the present standard of value. The word 'bond' or 'bonds' where it appears in sections 8, 9, 10, 14, and 15 of this Act as amended, and sections 3702, 3703, 3704, and 3705 of the Revised Statutes, and section 5200 of the Revised Statutes as amended, but in such sections only, shall be deemed to include notes issued under this section."

SEC. 2. (a) That until the expiration of five years after the date of the termination of the war between the United States and the German Government, as fixed by proclamation of the President, in addition to the exemptions provided in section 7 of the Second Liberty Bond Act in respect to the interest on an amount of bonds and certificates, authorized by such Act and amendments thereto, the principal of which does not exceed in the aggregate \$5,000, and in addition to all other exemptions provided in the Second Liberty Bond Act or the Supplement to Second Liberty Bond Act, the interest received on and after January 1, 1919, on an amount of bonds of the First Liberty Loan Converted, dated November 15, 1917, May 9, 1918, or October 24, 1918, the Second Liberty Loan converted and unconverted, the Third Liberty Loan, and the Fourth Liberty Loan, the principal of which does not exceed \$30,000 in the aggregate, owned by any individual, partnership, association, or corporation, shall be exempt from graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations.

(b) In addition to the exemption provided in subdivision (a), and in addition to the other exemptions therein referred to, the interest received on and after January 1, 1919, on an amount of the bonds therein specified the principal of which does not exceed \$20,000 in the aggregate, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes therein specified: *Provided*, That no owner of such bonds shall be entitled to such exemption in respect to the interest on an aggregate principal amount of such bonds exceeding three times the principal amount of notes of the Victory Liberty Loan originally subscribed for by such owner and still owned by him at the date of his tax return.

SEC. 3. That section 5 of the Second Liberty Bond Act, as amended by section 4 of the Third Liberty Bond Act, is hereby further amended by striking out the figures "\$8,000,000,000" and inserting in lieu thereof the figures "\$10,000,000,000."

SEC. 4. That section 3 of the Fourth Liberty Bond Act is hereby amended to read as follows:

"SEC. 3. That, notwithstanding the provisions of the Second Liberty Bond Act or of the War Finance Corporation Act or of any other Act, bonds, notes, and certificates of indebtedness of the United States and bonds of the War Finance Corporation shall, while beneficially owned by a nonresident alien individual, or a foreign corporation, partnership, or association, not engaged in business in the United States, be exempt both as to principal and interest from any and all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States or by any local taxing authority."

SEC. 5. That the privilege of converting 4 per centum bonds of the First Liberty Loan converted and 4 per centum bonds of the Second Liberty Loan into 4½ per centum bonds, which privilege arose on May 9, 1918, and expired on November 9, 1918, may be extended by the Secretary of the Treasury for such period, upon such terms and conditions and subject to such rules and regulations, as he may prescribe. For the purpose of computing the amount of interest payable, bonds presented for conversion under any such extension shall be deemed to be converted on the dates for the payment of the semiannual interest on the respective bonds so presented for conversion next succeeding the date of such presentation.

SEC. 6. (a) That there is hereby created in the Treasury a cumulative sinking fund for the retirement of bonds and notes issued under the First Liberty Bond Act, the Second Liberty Bond Act, the Third Liberty Bond Act, the Fourth Liberty Bond Act, or under this Act, and outstanding on July 1, 1920. The sinking fund and all additions thereto are hereby appropriated for the payment of such bonds and notes at maturity, or for the redemption or purchase thereof before maturity by the Secretary of the Treasury at such prices and upon such

terms and conditions as he shall prescribe, and shall be available until all such bonds and notes are retired. The average cost of the bonds and notes purchased shall not exceed par and accrued interest. Bonds and notes purchased, redeemed, or paid out of the sinking fund shall be canceled and retired and shall not be reissued. For the fiscal year beginning July 1, 1920, and for each fiscal year thereafter, until all such bonds and notes are retired there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes of such sinking fund, an amount equal to the sum of (1) $2\frac{1}{2}$ per centum of the aggregate amount of such bonds and notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign Governments held by the United States on July 1, 1920, and (2) the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years.

The Secretary of the Treasury shall submit to Congress at the beginning of each regular session a separate annual report of the action taken under the authority contained in this section.

(b) Sections 3688, 3694, 3695, and 3696 of the Revised Statutes, and so much of section 3689 of the Revised Statutes as provides a permanent annual appropriation of 1 per centum of the entire debt of the United States to be set apart as a sinking fund, are hereby repealed.

SEC. 7. (a) That until the expiration of eighteen months after the termination of the war between the United States and the German Government, as fixed by proclamation of the President, the Secretary of the Treasury, with the approval of the President, is hereby authorized on behalf of the United States to establish, in addition to the credits authorized by section 2 of the Second Liberty Bond Act, as amended, credits with the United States for any foreign government now engaged in war with the enemies of the United States, for the purpose only of providing for purchases of any property owned directly or indirectly by the United States, not needed by the United States, or of any wheat the price of which has been or may be guaranteed by the United States. To the extent of the credits so established from time to time the Secretary of the Treasury is hereby authorized to make advances to or for the account of any such foreign government and to receive at par from such foreign government for the amount of any such advances its obligations hereafter issued bearing such rate or rates of interest, not less than 5 per centum per annum, maturing at such date or dates, not later than October 15, 1938, and containing such terms and conditions, as the Secretary of the Treasury may from time to time prescribe. The Secretary, with the approval of the President, is hereby authorized to enter into such arrangements from time to time with any such foreign government as may be necessary or desirable for establishing such credits and for the payment of such obligations before maturity.

(b) The Secretary of the Treasury is hereby authorized from time to time to convert any short-time obligations of foreign governments which may be received under the authority of this section into long-time obligations of such foreign governments, respectively, maturing not later than October 15, 1938, and in such form and terms as the Secretary of the Treasury may prescribe; but the rate or rates of interest borne by any such long-time obligations at the time of their acquisition shall not be less than the rate borne by the short-time obligations so converted into such long-time obligations; and, under such terms and conditions as he may from time to time prescribe, to receive payment, on or before maturity, of any obligations of such foreign governments acquired on behalf of the United States under authority of this section, and, with the approval of the President, to sell any of such obligations (but not at less than par with accrued interest unless otherwise hereafter provided by law), and to apply the proceeds thereof, and any payments so received from foreign governments on account of the principal of such obligations, to the redemption or purchase, at not more than par and accrued interest, of any bonds of the United States issued under the authority of the First Liberty Bond Act or Second Liberty Bond Act as amended and supplemented, and if such bonds cannot be so redeemed or purchased, the Secretary of the Treasury shall redeem or purchase any other outstanding interest-bearing obligations of the United States which may at such time be subject to redemption or which can be purchased at not more than par and accrued interest.

(c) For the purposes of this section there is appropriated the unexpended balance of the appropriations made by section 2 of the First Liberty Bond Act and by section 2 of the Second Liberty Bond Act as amended by the Third Liberty Bond Act and the Fourth Liberty Bond Act, but nothing in this section shall be

deemed to prohibit the use of such unexpended balance or any part thereof for the purposes of section 2 of the Second Liberty Bond Act, as so amended, subject to the limitations therein contained.

SEC. 8. That the obligations of foreign governments acquired by the Secretary of the Treasury by virtue of the provisions of the First Liberty Bond Act and the Second Liberty Bond Act, and amendments and supplements thereto, shall mature at such dates as shall be determined by the Secretary of the Treasury: *Provided*, That such obligations acquired by virtue of the provisions of the First Liberty Bond Act, or through the conversion of short-time obligations acquired under such Act, shall mature not later than June 15, 1947, and all other such obligations of foreign governments shall mature not later than October 15, 1938.

SEC. 9. That the War Finance Corporation Act is hereby amended by adding to Title I thereof a new section, to read as follows:

"SEC. 21. (a) That the Corporation shall be empowered and authorized, in order to promote commerce with foreign nations through the extension of credits, to make advances upon such terms, not inconsistent with the provisions of this section, as it may prescribe, for periods not exceeding five years from the respective dates of such advances:

"(1) To any person, firm, corporation, or association engaged in the business in the United States of exporting therefrom domestic products to foreign countries, if such person, firm, corporation, or association is, in the opinion of the board of directors of the Corporation, unable to obtain funds upon reasonable terms through banking channels. Any such advance shall be made only for the purpose of assisting in the exportation of such products, and shall be limited in amount to not more than the contract price therefor, including insurance and carrying or transportation charges to the foreign point of destination if and to the extent that such insurance and carrying or transportation charges are payable in the United States by such exporter to domestic insurers and carriers. The rate of interest charged on any such advance shall not be less than 1 per centum per annum in excess of the rate of discount for ninety-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrower is located; and

"(2) To any bank, banker, or trust company in the United States which after this section takes effect makes an advance to any such person, firm, corporation, or association for the purpose of assisting in the exportation of such products. Any such advance shall not exceed the amount remaining unpaid of the advances made by such bank, banker, or trust company to such person, firm, corporation, or association for such purpose.

"(b) The aggregate of the advances made by the Corporation under this section remaining unpaid shall never at any time exceed the sum of \$1,000,000,000.

"(c) Notwithstanding the limitation of section 1 the advances provided for by this section may be made until the expiration of one year after the termination of the war between the United States and the German Government as fixed by proclamation of the President. Any such advance made by the Corporation shall be made upon the promissory note or notes of the borrower, with full and adequate security in each instance by indorsement, guaranty, or otherwise. The Corporation shall retain power to require additional security at any time. The Corporation in its discretion may upon like security extend the time of payment of any such advance through renewals, the substitution of new obligations, or otherwise, but the time for the payment of any such advance shall not be extended beyond five years from the date on which it was originally made."

SEC. 10. That section 15 of the War Finance Corporation Act is hereby amended to read as follows:

"SEC. 15. That all net earnings of the Corporation not required for its operations shall be accumulated as a reserve fund until such time as the Corporation liquidates under the terms of this title. Such reserve fund shall, upon the direction of the board of directors, with the approval of the Secretary of the Treasury, be invested in bonds and obligations of the United States, issued or converted after September 24, 1917, or upon like direction and approval may be deposited in member banks of the Federal Reserve System, or in any of the Federal reserve banks, or be used from time to time, as well as any other funds of the Corporation, in the purchase or redemption of any bonds issued by the Corporation. The Federal reserve banks are hereby authorized to act as depositaries for and as fiscal agents of the Corporation in the general performance of the powers conferred by this title. Beginning twelve months after the termination of the war, the date of such termination to be fixed by a proclamation of the President of the United States, the directors of the

Corporation shall proceed to liquidate its assets and to wind up its affairs, but the directors of the Corporation, in their discretion, may, from time to time, prior to such date, sell and dispose of any securities or other property acquired by the Corporation. Any balance remaining after the payment of all its debts shall be paid into the Treasury of the United States as miscellaneous receipts, and thereupon the Corporation shall be dissolved."

SEC. 11. That the short title of this Act shall be "Victory Liberty Loan Act."

Approved March 3, 1919.

[PUBLIC—No. 62—66TH CONGRESS]

[H. R. 7478]

An Act To amend sections 5200 and 5202 of the Revised Statutes of the United States as amended by Acts of June 22, 1906, and September 24, 1918

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5200 of the Revised Statutes of the United States as amended by the Acts of June 22, 1906, and September 24, 1918, be further amended to read as follows:

SEC. 5200. The total liabilities to any association of any person or of any company, corporation, or firm for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed 10 per centum of the amount of the capital stock of such association, actually paid in and unimpaired, and 10 per centum of its unimpaired surplus fund: *Provided, however*, That (1) the discount of bills of exchange drawn in good faith against actually existing values, including drafts and bills of exchange secured by shipping documents conveying or securing title to goods shipped, and including demand obligations when secured by documents covering commodities in actual process of shipment, and also including bankers' acceptances of the kinds described in section 13 of the Federal Reserve Act, (2) the discount of commercial or business paper actually owned by the person, company, corporation, or firm negotiating the same, (3) the discount of notes secured by shipping documents, warehouse receipts, or other such documents conveying or securing title covering readily marketable nonperishable staples, including livestock, when the actual market value of the property securing the obligation is not at any time less than 115 per centum of the face amount of the notes secured by such documents and when such property is fully covered by insurance, and (4) the discount of any note or notes secured by not less than a like face amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, shall not be considered as money borrowed within the meaning of this section. The total liabilities to any association, of any person or of any corporation, or firm, or company, or the several members thereof upon any note or notes purchased or discounted by such association and secured by bonds, notes, or certificates of indebtedness as described in (4) hereof shall not exceed (except to the extent permitted by rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury) 10 per centum of such capital stock and surplus fund of such association and the total liabilities to any association of any person or of any corporation, or firm, or company, or the several members thereof for money borrowed, including the liabilities upon notes secured in the manner described under (3) hereof, except transactions (1), (2), and (4), shall not at any time exceed 25 per centum of the amount of the association's paid-in and unimpaired capital stock and surplus. The exception made under (3) hereof shall not apply to the notes of any one person, corporation or firm or company, or the several members thereof for more than six months in any consecutive twelve months.

SEC. 2. That section 5202 of the Revised Statutes of the United States as amended by section 20, Title I, of the Act approved April 5, 1918, be further amended so as to read as follows:

"SEC. 5202. No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

"First. Notes of circulation.

"Second. Moneys deposited with or collected by the association.

"Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

"Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

"Fifth. Liabilities incurred under the provisions of the Federal Reserve Act.

"Sixth. Liabilities incurred under the provisions of the War Finance Corporation Act.

"Seventh. Liabilities created by the indorsement of accepted bills of exchange payable abroad actually owned by the indorsing bank and discounted at home or abroad."

Approved, October 22, 1919.

[Extract from Public Law No. 195, Sixty-sixth Congress]

The War Finance Corporation, as rapidly as funds become available, shall take over from the United States Railroad Administration, at par value and accrued interest, such of the bonds of the United States of the various Liberty loan issues and the Victory loan issue as are held by the said Administration at the time of the approval of this Act and which it does not desire to retain.

[PUBLIC RESOLUTION—NO. 55—66TH CONGRESS]

[S. J. Res. 212]

Joint Resolution Directing the War Finance Corporation to take certain action for the relief of the present depression in the agricultural sections of the country, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury and the members of the War Finance Corporation are hereby directed to revive the activities of the War Finance Corporation, and that said corporation be at once rehabilitated with the view of assisting in the financing of the exportation of agricultural and other products to foreign markets.

F. H. GILLETT,

Speaker of the House of Representatives.

CHARLES CURTIS,

Acting President of the Senate Pro Tempore.

IN THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES,

January 4, 1921.

The House having proceeded, in pursuance of the Constitution, to reconsider the joint resolution (S. J. Res. 212) entitled "Joint resolution directing the War Finance Corporation to take certain action for the relief of the present depression in the agricultural sections of the country, and for other purposes," returned to the Senate by the President of the United States, with his objections thereto, and sent by the Senate to the House of Representatives, with the message of the President returning the joint resolution:

Resolved, That the joint resolution do pass, two-thirds of the House of Representatives agreeing to pass the same.

Attest:

WM. TYLER PAGE, *Clerk.*

IN THE SENATE OF THE UNITED STATES,

January 3, 1921.

The President of the United States having returned to the Senate, in which it originated, the joint resolution (S. J. Res. 212) "Joint Resolution directing the War Finance Corporation to take certain action for the relief of the present depression in the agricultural sections of the country, and for other purposes," with his objections thereto, the Senate proceeded in conformity with the Constitution to reconsider the same and has

Resolved, That the joint resolution do pass, two-thirds of the Senate agreeing to pass the same.

GEORGE A. SANDERSON, *Secretary.*

[PUBLIC—No. 60—67TH CONGRESS]

[S. 1915]

An Act To amend the War Finance Corporation Act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That when used in this Act the term "person" includes partnerships, corporations, and associations, as well as individuals.

SEC. 2. That section 1 of Title I of the War Finance Corporation Act, approved April 5, 1918, as amended, is amended to read as follows:

"That the Secretary of the Treasury, the Secretary of Agriculture, and four additional persons (who shall be the directors first appointed as hereinafter provided) are hereby created a body corporate and politic in deed and in law by the name, style, and title of the War Finance Corporation (herein called the Corporation), and shall have succession for a period of ten years: *Provided*, That except as otherwise provided by this Act the Corporation shall not exercise any of the powers conferred by this Act except such as are incidental to the liquidation of its assets and the winding up of its affairs after July 1, 1922."

SEC. 3. The War Finance Corporation Act, approved April 5, 1918, as amended, is amended by adding after section 21 of Title I thereof the following new sections:

"SEC. 22. Whenever the Board of Directors of the Corporation shall be of the opinion that conditions arising out of the war, or out of the disruption of foreign trade created by the war, have resulted in or may result in an abnormal surplus accumulation of any staple agricultural product of the United States or lack of a market for the sale of same or that the ordinary banking facilities are inadequate to enable producers of or dealers in such products to carry them until they can be exported or sold for export in an orderly manner, the Corporation shall thereupon be empowered to make advances, for periods not exceeding one year from the respective dates of such advances, upon such terms, not inconsistent with this Act, as it may determine;

"(a) To any person engaged in the United States in dealing in, or marketing any such products, or to any association composed of persons engaged in producing such products, for the purpose of assisting such person or association to carry such products until they can be exported or sold for export in an orderly manner. Any such advance shall bear interest at a rate not exceeding 1½ per centum in excess of the rate of discount for ninety-day commercial paper prevailing at the Federal Reserve Bank of the district in which the borrower is located at the time when such advance is made;

"(b) To any person without the United States purchasing such products, but in no case shall any of the money so advanced be expended without the United States. Every such advance shall be secured by adequate security of such character as shall be prescribed by the Board of Directors of the Corporation. The rate of interest charged on any such advance shall be determined by the Board of Directors. The Corporation shall retain power to recall an advance or require additional security at any time.

"(c) To any bank, banker, or trust company in the United States which makes or has made an advance or advances to any such person as is described in paragraph (a) of this section for the purpose therein set forth or which makes or has made an advance or advances to any producer for the purpose set forth in paragraph (a). The aggregate of advances made to any bank, banker, or trust company shall not exceed the amount remaining unpaid of the advances made by such bank, banker, or trust company for purposes herein described. Such advances shall bear interest at the rates fixed by the Corporation.

"SEC. 23. Notwithstanding the limitation of section 1, the advances provided for by section 21 and section 22 of this Act may be made until July 1, 1922. The Corporation may from time to time extend the time of payment of any such advance or advances through renewals, substitution of new obligations, or otherwise, but the time for the payment of any advance made under authority of section 21 and section 22 shall not be extended beyond three years from the date upon which such advance was originally made.

"All advances made under section 21 or under section 22 of this Act shall be made against promissory note or notes, or other instrument or instruments in writing imposing on the borrower a primary and unconditional obligation to repay the advance at maturity, with interest as stipulated therein, with full and adequate security in each instance by indorsement, guaranty, pledge, or otherwise. The Corporation shall retain the power to require additional security at any time. All

notes or other instruments evidencing advances to persons outside the United States shall be in terms payable in the United States, in currency of the United States, and shall be secured by adequate guaranties or indorsements in the United States, or by warehouse receipts, acceptable collateral, or other instruments in writing conveying or securing marketable title to agricultural products in the United States.

"SEC. 24. Whenever in the opinion of the Board of Directors of the Corporation the public interest may require it, the Corporation shall be authorized and empowered to make advances upon such terms not inconsistent with this Act as it may determine to any bank, banker, or trust company in the United States, or to any cooperative association of producers in the United States which may have made advances for agricultural purposes, including the breeding, raising, fattening, and marketing of live stock, or may have discounted or rediscounted notes, drafts, bills of exchange, or other negotiable instruments issued for such purposes. Such advance or advances may be made upon promissory note or notes, or other instrument or instruments, in such form as to impose on the borrowing bank, banker, trust company, or cooperative association a primary and unconditional obligation to repay the advance at maturity with interest as stipulated therein, and shall be fully and adequately secured in each instance by indorsement, guaranty, pledge, or otherwise. Such advances may be made for a period not exceeding one year and the Corporation may from time to time extend the time of payment of any such advance through renewals, substitution of new obligations or otherwise, but the time for the payment of any such advance shall not be extended beyond three years from the date upon which such advance was originally made. The aggregate of advances made to any bank, banker, trust company, or cooperative association shall not exceed the amount remaining unpaid of the advances made by such bank, banker, trust company, or cooperative association for purposes herein described.

"The Corporation may, in exceptional cases, upon such terms not inconsistent with this Act as it may determine, purchase from domestic banks, bankers, or trust companies, notes, drafts, bills of exchange, or other instruments of indebtedness secured by chattel mortgages, warehouse receipts, bills of lading, or other instruments in writing, conveying or securing marketable title to staple agricultural products, including livestock. The Corporation may from time to time, upon like security, extend the time of payment of any note, draft, bill of exchange, or other instrument acquired under this section, but the time for the payment of any such note, draft, bill of exchange, or other instrument shall not be extended beyond three years from the date upon which such note, draft, bill of exchange, or other instrument was acquired by the Corporation. The Corporation is further authorized, upon such terms as it may prescribe, to purchase, sell, or otherwise deal in acceptances, adequately secured, issued by banking corporations organized under section 25 (a) of the Federal Reserve Act: *Provided*, That no purchase of acceptances of the said banking corporations shall be made except for the purpose of assisting the said banking corporations in financing the exportation of agricultural and manufactured products from the United States to foreign countries. No such acceptances shall be purchased which have a maturity at the time of such purchase of more than three years.

"Advances or purchases may be made under this section at any time prior to July 1, 1922.

"SEC. 25. The aggregate amount of all advances made under sections 21, 22, and 24, and of all notes, drafts, bills of exchange, or other securities purchased under section 24 remaining unpaid, shall not at any one time exceed \$1,000,000,000.

"SEC. 26. Whenever in this Act the words 'bank, banker, or trust company' are used, they shall be deemed to include any reputable and responsible financing institution incorporated under the laws of any State or of the United States with resources adequate to the undertaking contemplated.

"SEC. 27. In order to enable the Corporation to carry out the purposes of this Act, the Comptroller of the Currency is hereby authorized to furnish to the Corporation for its confidential use such reports, records, or other information as he may have available relating to financial condition of national banks to which the Corporation has made or contemplates making advances, and to make, through his examiners, for the confidential use of the Corporation, examinations of banks, bankers, or trust companies, other than national banks to which the Corporation has made or contemplates making advances: *Provided*, That no such examination shall be made without the consent of such bank, banker, or trust company.

"SEC. 28. No person, bank, banker, or trust company receiving money under the provisions of this Act shall loan such money at a rate of interest greater than

2 per centum per annum in excess of the rate of interest charged or received by the Corporation upon such money.

"SEC. 4. Section 21 of Title I of the War Finance Corporation Act is hereby amended by striking out paragraphs (b) and (c) thereof, and by striking out at the beginning of the first paragraph the letter (a).

"SEC. 5. The first paragraph of section 12 of Title I of the War Finance Corporation Act is hereby amended and reenacted to read as follows:

"SEC. 12. That the Corporation shall be empowered and authorized to issue and have outstanding at any one time its notes or bonds in an amount aggregating not more than three times its paid-in capital, such notes or bonds to mature not less than six months nor more than five years from the respective dates of issue, and may be redeemable before maturity at the option of the Corporation, as may be stipulated in such notes or bonds, and to bear such rate or rates of interest as may be determined by the board of directors, but such rate or rates of interest shall be subject to the approval of the Secretary of the Treasury. Such notes or bonds shall have a first and paramount floating charge on all the assets of the Corporation, and the Corporation shall not at any time mortgage or pledge any of its assets. Such notes or bonds may be issued at not less than par in payment of any advances authorized by this title, or may be offered for sale publicly or to any individual, firm, corporation, or association, at such price or prices at not less than par as the board of directors, with the approval of the Secretary of the Treasury, may determine."

The power of the corporation to issue notes or bonds may be exercised at any time prior to January 1, 1925, but no notes or bonds shall mature later than July 1, 1925.

SEC. 6. Paragraph 1 of section 13 of Title I of the War Finance Corporation Act is hereby amended and reenacted to read as follows:

"That the Federal Reserve Banks shall be authorized, subject to the maturity limitations of the Federal Reserve Act and to regulations of the Federal Reserve Board, to discount the direct obligations of member banks secured by such notes or bonds of the Corporation and to rediscount notes or other negotiable instruments secured by such notes or bonds and indorsed by a member bank. Discounts or rediscounts under this section shall be at an interest rate equal to the prevailing rate for eligible commercial paper of corresponding maturities."

SEC. 7. That section 15 of Title I of the War Finance Corporation Act be amended and reenacted to read as follows:

"SEC. 15. That all moneys of the Corporation not otherwise employed may be kept on deposit, subject to check, with the Treasurer of the United States, or in any of the Federal reserve banks, or may, upon the direction of the board of directors of the Corporation, with the approval of the Secretary of the Treasury, be invested in bonds or other obligations of the United States issued or converted after September 24, 1917, or upon like direction and approval, may be used from time to time in the purchase or redemption of any bonds issued by the Corporation.

"The Federal reserve banks are hereby authorized to act as depositories for and as fiscal agents of the Corporation in the general performance of the powers conferred by this title.

"Beginning July 1, 1922, the directors of the Corporation shall proceed to liquidate its assets and wind up its affairs, except as specifically provided in this title; but the directors of the Corporation, in their discretion, may, from time to time prior to such liquidation, sell and dispose of any securities or other property acquired by the Corporation.

"After July 1, 1922, the Corporation may, with the approval of the Secretary of the Treasury, deposit with the Treasurer of the United States, as a special deposit, out of money belonging to the Corporation, or from time to time received by it in the course of liquidation or otherwise, an amount equal to the aggregate amount of all outstanding bonds or notes of the Corporation, including principal and interest to maturity. Moneys so deposited shall constitute a special fund for the payment of principal and interest of such bonds or notes, or for the purchase or redemption of such bonds or notes at not more than par and accrued interest, and may be drawn upon or paid out for no other purpose.

"Whenever there shall have been deposited in such special fund an amount equal to the aggregate amount of all bonds or notes of the Corporation then outstanding, including principal and interest to maturity, the Corporation may, with the approval of the Secretary of the Treasury, pay into the Treasury of the United States, as miscellaneous receipts, any moneys belonging to the Corporation, or received from time to time in the course of liquidation or otherwise,

in excess of a reasonable reserve to meet all liabilities and expenses during liquidation. Whenever any such payment is made, an amount of capital stock of the Corporation equal in par value to the amount so paid in shall be canceled and retired.

"All net earnings of the Corporation not required for its operations shall be accumulated as a reserve fund until such time as the Corporation liquidates under the terms of this title.

"Any balance remaining after the payment of all the Corporation's debts, and after the retirement of all its capital stock as herein provided, shall be paid into the Treasury of the United States as miscellaneous receipts and thereupon the Corporation shall be dissolved."

Approved, August 24, 1921.

[PUBLIC—NO. 238—67TH CONGRESS]

[S. 2775]

An Act To extend for one year the powers of the War Finance Corporation to make advances under the provisions of the Act entitled "An Act to amend the War Finance Corporation Act approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time during which the War Finance Corporation may make advances and purchase notes, drafts, bills of exchange, or other securities under the terms of sections 21, 22, 23, and 24 of the War Finance Corporation Act, as amended, is hereby extended up to and including May 31, 1923: *Provided*, That if any application for an advance or for the purchase by the War Finance Corporation of notes, drafts, bills of exchange, or other securities is received at the office of the corporation in the District of Columbia on or before May 31, 1923, such application may be acted upon and approved, and the advance may be made or the notes, drafts, bills of exchange, or other securities purchased at any time prior to June 30, 1923.

SEC. 2. That the second paragraph of section 12 of title I of the War Finance Corporation Act, as amended, be further amended to read as follows:

"The power of the corporation to issue notes or bonds may be exercised at any time prior to January 31, 1926, but no such notes or bonds shall mature later than June 30, 1926."

SEC. 3. That paragraph 3 of section 15 of title 1 of the War Finance Corporation Act, as amended, be amended by striking out at the beginning of said paragraph the words "beginning July 1, 1922," and inserting in lieu thereof the words "beginning July 1, 1923."

That paragraph 4 of said section 15 be amended by striking out at the beginning of said paragraph the words "After July 1, 1922," and inserting in lieu thereof the words "After July 1, 1923."

Approved, June 10, 1922.

[Extract from Public Law No. 503, Sixty-seventh Congress]

AMENDMENTS TO WAR FINANCE CORPORATION ACT

SEC. 501. That the time during which the War Finance Corporation may make advances and purchase notes, drafts, bills of exchange, or other securities under the terms of sections 21, 22, 23, and 24 of the War Finance Corporation Act, as amended, is further extended up to and including February 29, 1924: *Provided*, That if any application for an advance or for the purchase by the War Finance Corporation of notes, drafts, bills of exchange, or other securities is received at the office of the corporation in the District of Columbia on or before February 29, 1924, such application may be acted upon and approved, and the advance may be made or the notes, drafts, or other securities purchased, at any time prior to March 31, 1924.

SEC. 502. That the second paragraph of section 12 of Title I of the War Finance Corporation Act, as amended, is further amended to read as follows:

"The power of the corporation to issue notes or bonds may be exercised at any time prior to January 31, 1927, but no such bonds or notes shall mature later than June 30, 1927."

SEC. 503. (a) That the third paragraph of section 15 of Title I of such Act, as amended, is amended by striking out at the beginning of such paragraph the

words "beginning July 1, 1923," and inserting in lieu thereof the words "beginning April 1, 1924."

(b) The fourth paragraph of such section, as amended, is amended by striking out at the beginning of such paragraph the words "After July 1, 1923," and inserting in lieu thereof the words "After April 1, 1924."

[PUBLIC—No. 31—68TH CONGRESS]

[S. 2249]

An Act To extend for nine months the power of the War Finance Corporation to make advances under the provisions of the War Finance Corporation Act, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time during which the War Finance Corporation may make advances and purchase notes, drafts, bills of exchange, or other securities under the terms of sections 21, 22, 23, and 24 of the War Finance Corporation Act, as amended, is hereby extended to and including November 30, 1924: *Provided,* That if any application for an advance or for the purchase by the War Finance Corporation of notes, drafts, bills of exchange, or other securities is received at the office of the corporation in the District of Columbia on or before November 30, 1924, such application may be acted upon and approved, and the advance may be made or the notes, drafts, bills of exchange, or other securities may be purchased at any time prior to December 31, 1924.

SEC. 2. That paragraph 3 of section 15 of Title I of the War Finance Corporation Act, as amended, be amended by striking out at the beginning of said paragraph the words "beginning April 1, 1924," and inserting in lieu thereof the words "beginning January 1, 1925."

SEC. 3. That paragraph 4 of said section 15 be amended by striking out at the beginning of said paragraph the words "After April 1, 1924," and inserting in lieu thereof the words "After January 1, 1925."

SEC. 4. That the corporation may from time to time, through renewals, substitutions of new obligations, or otherwise, extend the time of payment of any advance made under authority conferred in section 24 of the War Finance Corporation Act, as amended; but the time for the payment of any such advance shall not be extended beyond January 1, 1926, if such advance was originally made on or before January 1, 1923, or beyond three years from the date upon which such advance was originally made, if such advance was originally made after January 1, 1923.

Approved, February 20, 1924.

[PUBLIC—No. 237—70TH CONGRESS]

[H. R. 12245]

An Act To amend the War Finance Corporation Act, approved April 5, 1918, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and to supervise the issuance of securities; and for other purposes," approved April 5, 1918, as amended, be, and the same hereby is, amended so as to extend for one year the period specified in section 1 of said Act during which the War Finance Corporation shall have succession; and the expiration of the period of ten years specified in said section 1 shall not be construed to affect any right or privilege accrued, any penalty or liability incurred, or any civil or criminal proceeding commenced, or to diminish any authority conferred on any official necessary to enable him to carry out the duties remaining to be performed by him under said Act.

Approved, April 4, 1928

(Extract from)

[PUBLIC—No. 611—70TH CONGRESS]

[H. R. 12064]

An Act To discontinue certain reports now required by law to be made to Congress

UNDER THE WAR FINANCE CORPORATION

116. Quarterly reports of the War Finance Corporation. (Statutes at Large, volume 40, part 1, page 512; title 15, section 347, United States Code.)
Approved, May 29, 1928.

[PUBLIC—No. 895—70TH CONGRESS]

[S. 5684]

An Act To amend the War Finance Corporation Act approved April 5, 1918, as amended, to provide for the liquidation of the assets and the winding up of the affairs of the War Finance Corporation after April 4, 1929, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the War Finance Corporation Act of April 5, 1918, as amended, be, and the same is hereby, further amended so that at the close of April 4, 1929, the liquidation of the assets remaining at that time and the winding up of the affairs of the corporation thereafter shall be transferred to the Secretary of the Treasury, who for such purpose shall have all the powers and duties of the board of directors of the corporation under said Act, as amended. For carrying out the provisions of this Act the Secretary of the Treasury may assign to any officer or officers of the United States in the Treasury Department the exercise and performance, under his general supervision and direction, of any such powers and duties. He shall from time to time pay into the Treasury as miscellaneous receipts any moneys belonging to the corporation which, in his opinion, are not required for carrying on and completing the liquidation of its remaining assets and the winding up of its affairs, including reasonable provisions for the future expenses thereof. Nothing in the said Act, as amended, or this Act, shall be construed to affect any right or privilege accrued, any penalty or liability incurred, any criminal or civil proceeding commenced, or any authority conferred thereunder, except as herein provided in connection with the liquidation of the remaining assets and the winding up of the affairs of the said corporation, until the Secretary of the Treasury shall find that such liquidation will no longer be advantageous to the United States and that all of its lawful obligations have been met, whereupon he shall retire any capital stock then outstanding, pay into the Treasury as miscellaneous receipts the unused balance of the moneys belonging to the corporation, and make the final report of the corporation to the Congress. Thereupon the corporation shall be deemed to be dissolved.

Approved, March 1, 1929.



